



# ***Daily Report***

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## **China**

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# Daily Report

## China

FBIS-CHI-95-053

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## General

### Li Peng Speaks at UN World Summit

OW1703135395 Beijing XINHUA Domestic Service in Chinese 1404 GMT 11 Mar 95

[FBIS Translated Text] Copenhagen, 11 Mar (XINHUA)—Chinese Premier Li Peng delivered a speech at the UN-sponsored World Summit for Social Development on 11 March in which he expounded China's views on current international issues and issues related to social development. The full text of the speech is as follows:

In the spring, when all manifestations of nature look fresh and gay, it is of pioneering historic significance that the leaders of more than 100 countries have gathered together to discuss matters of vital importance to global social development. On behalf of the Chinese Government and people, I extend warm congratulations to the summit, appreciation for the highly effective work done by the summit organizing committee and ministerial meeting, and sincere gratitude to the government and people of the host country, the Kingdom of Denmark!

Safeguarding world peace, promoting social development, and opening up a more beautiful future accord are the will of all people. A review of the entire world shows that the international situation has undergone significant and penetrating changes. The Cold War has ended and the general trend is moving toward relaxation, but peace is not prevalent in the world. The constant development of science and technology and productive forces have not, by themselves, brought about all-around social progress. In the transition from the old to the new century, contradictions and problems continue to exist in modern society, and grim challenges facing mankind call for the foresight and sagacity of statesmen from all countries. Because problems—such as environmental protection, population control, elimination of poverty, expansion of employment, refugee resettlement, alleviation of racial conflicts, solution of religious disputes, enhancement of women's status and children's welfare, eradication of drug addiction and trafficking, and prevention of the spread of AIDS—can affect, without exception, any country, their solutions will invariably need extensive international cooperation and joint efforts.

The convocation of the summit conforms with the trend of the times and reflects the aspirations of the people. The deliberations of the three main themes of the summit—elimination of poverty, expansion of employment, and promotion of social harmony—will play a positive role in mobilizing the international community to come to grips with the acute issues of world social development, as well as promote the economic and social development of all countries. We hope that all countries will proceed from their actual conditions and take action to effectively promote cross-century international cooperation in social development on the basis of mutual respect, of consultation on an equal footing, and

of seeking common ground while reserving differences. To implement the "declaration" and "program for action" to be adopted by the summit soon, and to realize the fighting goal set by the summit, the Chinese Government puts forward five proposals for deliberations with all countries:

1. Upholding peaceful coexistence among countries and preserving global social stability. The social development of mankind calls for a long-term, stable, and peaceful international environment. All countries should work to establish a fair and rational new international order in conformity with the purposes of the UN Charter and on the basis of the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. International disputes should be resolved peacefully through negotiations without resort to force or threat of force. China is opposed to all manifestations of hegemonism and power politics. China will not seek hegemony now, nor in the future; it will always firmly stand for world peace and stability. We are ready to work with all governments to facilitate peaceful settlement of regional conflicts and international disputes so as to create an international environment favorable to world social development.

2. Striving to speed up economic development and promoting overall social progress. Economic development is the basis of social progress, which in turn is what economic development should bring about. The two should coordinate with and promote each other. As for the developing countries whose economy is not developed, they have a special need to speed up economic growth; only by doing so can they acquire the essential means to create more jobs and raise the standard of living, thereby shaking off poverty. In the process of developing their economy, they will have to take into account their national conditions, follow a comprehensive strategy, and accord higher priority to education, science, and technology, as well as cultural undertakings, in order to gradually reduce the disparity between the rich and the poor and promote political democracy and push all-round social progress.

3. Respecting each other's national conditions and choosing one's own road of development. As nations differ in their natural environment, level of development, historical background, cultural traditions, and religious faith, their tasks in terms of economic and social development are vastly different. Diversity of the world is a perennial objective reality. All nations, irrespective of their size, strength, or wealth, have the right to choose their own social system, model of development, and concept of values. They should show respect for one another. For the large numbers of developing countries, the right to subsistence and the right to development are the most important human rights. China is against any interference in the domestic affairs of any nation under whatever pretext. All nations should

be encouraged in their endeavors to follow their own path. This will generate continual vitality to promote human progress.

4. Adhering to the principle of equality and mutual benefit and constantly expanding international cooperation. The present juncture of human evolution is characterized by increasing exchanges between nations and growing social and economic integration in the world. The solution of many social issues primarily requires efforts by individual countries, but this cannot go without extensive regional as well as global cooperation. In international dealings, each party will naturally assert its own interests; but it should also take account of and make allowance for the interests of the other parties. We should advocate consultations on an equal footing and refrain from imposing one's terms on others. We should practice give-and-take rather than rejecting each other. We call for mutually beneficial cooperation and oppose the all-too-frequent resort to sanctioning. Let us take a longer perspective and not be swayed by myopic considerations. China is willing to work in conjunction with the governments of all other countries, the UN agencies, and other international bodies and play a bigger role in enhancing global cooperation.

5. Richer countries should bear greater responsibilities in promoting the prosperity of mankind. The overwhelming majority of the world's population now lives in less-developed countries, quite a few of whom languish in stark poverty. The gap between the rich and poor continues to widen. In retrospect, the rich countries attained development largely at the expense of poor countries. When a people have to endure prolonged destitution in an abysmal existence, this is often the crucial factor that could touch off social upheaval and even a violent conflict. A social crisis may be lurking in a poor country, but if it is left unattended to, richer countries will suffer the adverse impact, too. When poorer countries become developed with their markets expanded, they will buttress the sustained development of richer countries. Hence the developed countries should consider the common interests of human progress, achieve a fair and rational settlement of the debt issue, adhere to the principle of exchanges of equal value in trade relations, help to allay the predicament of the developing countries in areas such as funds and technology and undertake greater responsibilities in promoting world social development.

Mr. Chairman:

China is a developing country. During the past 16 years, China has been devoted to reform and opening up, it has taken economic construction as the central task, and developed social undertakings while achieving economic development. During the 16 years, its economy has grown at an average annual rate of 9 percent. We have been able to basically meet the need for food and clothing of a population making up 22 percent of the world's total population, while our cultivated land

accounts for only 7 percent of the world's total. In the past 16 years, we have lifted a total of more than 170 million rural residents from poverty. The quality of life of residents has kept improving and the people's average lifespan has reached 70 years. Though there are still 80 million people living under the poverty line, the Chinese Government is determined to resolve this problem by the end of the century. China attaches importance to the development of education, and a nine-year compulsory education has been made universal in 80 percent of its land. It is vigorously developing science and technology, culture, public health, and physical culture during the course of reform. It has made remarkable achievements in environmental protection.

During the course of gradually establishing and fine-tuning the socialist market economic structure, we persist in building material civilization and spiritual civilization simultaneously, promoting democracy and the legal system, maintaining social stability, strengthening the unity among all nationalities, and achieving all-around social progress. We regard our success in managing our own affairs well and in making the 1.2 billion Chinese people live a happy life as our contribution to the world's peace and development. China actively and firmly supports Resolution No. 47/92 on promoting worldwide social development adopted by the U.N. General Assembly in 1992. It has taken a series of concrete actions in preparation for the present summit. In the "report on the social development of the People's Republic of China [ROC]," the Chinese Government has explained the situation of China's social development and the government's basic stand and preliminary objectives in social development. In order to fulfill its commitment to the summit, the Chinese Government will formulate a follow-up program of action. To completely free China from poverty and backwardness requires long-term efforts to be made by several generations. Our goal is to build our country into a moderately developed modern country by the middle of the next century. As a follow-up action of the summit, the Chinese Government and people are making efforts to prepare the coming Fourth World Conference on Women scheduled for September in Beijing. Mr. Chairman: A new century is coming and we are shouldering an important historic mission. Let us make concerted efforts, hand in hand, and work hard to carry a peaceful, stable, prosperous, and wonderful new world into the 21st century.

#### **Butrus-Ghali Comments on Democracy**

*OW1803051895 Beijing XINHUA in English 0433  
GMT 18 Mar 95*

[FBIS Transcribed Text] United Nations, March 17 (XINHUA)—UN Secretary-General Butrus Butrus-Ghali said here today that democracy is the exclusive preserve of no one, and that it can be and must be assimilated by all cultures.

Addressing the World Commission on Culture and Development, the UN Chief said, "Democracy is not a

model to be copied by certain states, but an objective to be attained by all people. It is the political expression of our common cultural heritage."

He told the commission, headed by former UN Secretary-General Javier Perez de Cuellar, that democracy owes its complexity to the wide variety of situations to be taken into account within the context of development.

Butrus-Ghali said, "Development does not proceed along a single and uniform path, but must radically adapt to the diversity of societies, peoples and cultures."

The World Commission on Culture and Development was established at the end of 1992, jointly by the UN Educational, Scientific and Cultural Organization and the United Nations, within the framework of the World Decade for Cultural Development.

The UN Chief told the commission that development is also a global phenomenon which cannot be reduced simply to its economic dimension and is supported by other pillars, such as peace, the environment, social justice and democracy.

He said the end of the ideological conflict between the super powers has brought about neither the peace nor the development that the world wanted to see.

Today the gap between the rich and the poor countries is still widening and the poorest countries are regressing, he added.

People have been thrown into disarray and there is a dangerous deterioration in the social situation throughout the world, the Secretary-General warned.

He also said that development must always go hand in hand with the promotion of a culture of peace and a culture of democracy.

In conclusion, the UN Secretary-General said, "Indeed, there can be no peace without development, and sustainable development is not possible without peace."

### United States & Canada

#### Reduced U.S. Trade Deficit Prospects Viewed

HK2003104895 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 27 Feb 95 p 6

["Special article" by Tian Fan (3944 1581): "Can the Huge Trade Deficit of the United States Be Reduced?"]

[FBIS Translated Text] The U.S. Department of Commerce announced on 17 February that the U.S. trade situation worsened further in 1994, with the commodity trade deficit reaching \$166.29 billion, up 25 percent over the previous year and hitting an all-time high. Since the United States is superior in service trade, including communications, tourism, and insurance, the U.S. trade deficit last year was only \$108.1 billion if service trade is included, but it was still 43 percent higher than that of the

previous year and broke the record for the last six years. The United States mainly ascribed its huge deficit to Japan. In 1994, its trade deficit with Japan grew 16 percent and reached \$65.67 billion, accounting for 40 percent or so of its gross deficit. In addition, the U.S. Department of Commerce asserted that its trade deficit with China was \$29.49 billion, second only to that with Japan.

As everyone knows, international trade is the focus of Clinton's economic policy, which also gives an impetus to his foreign policy. Clinton, at first, wanted to promote economic growth by stimulating exports and to boost the status of the U.S. dollar by reducing the trade deficit; but now, the fact that the U.S. trade deficit has grown rather than fallen will further weaken people's confidence in the U.S. dollar, thus having a certain impact on the trend of U.S. interest rates and on its economic growth. However, U.S. Trade Representative Kantor and other U.S. officials seemed not to care a pin. Kantor said that the U.S. trade prospects were not as gloomy as the figures showed, and that this year and the next, "our deficit will decrease, while our exports will rise."

Clinton has been focusing his work on expanding exports and actively pursuing "economic diplomacy" since taking charge of the White House in 1993. It should be said that the Clinton administration's "strategy of export expansion" is still quite fruitful. According to Kantor, the volume of U.S. exports last year grew 10 percent. Given the export volume, U.S. exports grew faster than imports, but due to the weakening of the U.S. dollar, the United States incurred higher import costs, thus leading to the continuous rise in its trade deficit.

So, can the U.S. trade deficit be reduced this year? It hinges, to a great extent, on the outcome of U.S.-Japanese trade talks. In 1994, the two countries reached certain trade agreements, but the trade talks on automobiles and spare parts, which are the most essential, were still deadlocked. However, in view of the past situation of U.S.-Japanese talks, perhaps the United States will find it difficult to get what it wants.

In addition, U.S. foreign trade is also affected by the Mexican financial crisis. Last year, the United States registered a huge growth of exports to Mexico and had a surplus of \$1.3 billion. However, following the large-scale regulation of Mexico's currency, the trade surplus in the United States' favor will vanish and, most probably, turn into a deficit.

Nevertheless, with the faster economic growth of Western Europe and Japan, U.S. exports will expand. Moreover, since U.S. economic growth will slow down, its imports will be reduced too. Such a situation will be favorable to the alleviation of the U.S. trade deficit. The U.S. trade situation this year can be described as "heartening but worrying," and the question of whether or not its huge trade deficit can be reduced is still subject to further observation.

### Lu Ping Seeks More Time in New York

HK2003064195 Hong Kong HONGKONG STANDARD in English 20 Mar 95 p 1

[By Laura Chan in Seattle]

[FBIS Transcribed Text] Hong Kong and Macao Affairs Office Director Lu Ping may change his travel itinerary so he can meet more local community leaders in New York's Chinatown, the largest ethnic Chinese enclave in the United States. Mr Lu will meet Hong Kong's Preliminary Working Committee (PWC) members in Tokyo before the combined delegation heads for Seattle, home of Boeing Aircraft Company, with which China has done billions of dollars worth of business in recent years. Mr Lu initially planned to stay in Seattle from 19 to 21 March but now may go to New York a day early to spend more time meeting civic leaders, businessmen and local dignitaries in New York's Chinatown.

During his US trip, Mr Lu is expected to distribute more than 300 English-language versions of the Basic Law, along with the assurance that the Hong Kong Special Administrative Region (SAR) will welcome foreign investment. He told a New York-based Chinese language newspaper in an interview conducted before this trip that he would extend a personal welcome to guests from abroad to attend the handover ceremony at midnight on 30 June 1997 in Hong Kong.

At a luncheon in Seattle tomorrow Mr Lu will address 150 businessmen and academics with special interests in China. His speech is entitled "Hong Kong Beyond 1997: The Chinese Government's Perspective".

Mr Lu's two-week tour of the U.S. will take him to Seattle, New York Washington DC, Los Angeles, Chicago and Boston.

### Southeast Asia & Pacific

#### Thai Senate President Arrives in Yunnan

OW1803162795 Beijing XINHUA in English 1428 GMT 18 Mar 95

[FBIS Transcribed Text] Kunming, March 18 (XINHUA)—At the invitation of the Standing Committee of the Chinese National People's Congress (NPC), a delegation led by President of the Senate of Thailand Michai Ruchuphan arrived here this afternoon on a seven-day goodwill visit to southwest China's Yunnan Province.

Among those greeting the Thai guests at the airport was Chairman of the Yunnan Provincial People's Congress Yin Jun. This evening, Yin met with and hosted a banquet in honor of Meechai and his party.

Yin said that the friendship between the people of China and Thailand has a long history and Yunnan provincial leaders have visited Thailand for many times, which helped enhance the friendship and sincere cooperation in various fields between the two sides.

Meechai said that he has seen great changes which have taken place in the province and both sides should strengthen cooperation and contacts in a bid to promote regional economic development.

The Thai delegation is also scheduled to visit some other places in the province starting from tomorrow.

#### Qian Qichen, Thailand's Krasae Chanawong Meet

OW2003105895 Beijing XINHUA in English 1039 GMT 20 Mar 95

[FBIS Transcribed Text] Beijing, March 20 (XINHUA/OANA)—Chinese Vice-Premier and Foreign Minister Qian Qichen held talks here today with visiting Thai Foreign Minister Krasae Chanawong.

Qian said that this year is the 20th anniversary of the establishment of Sino-Thai diplomatic relations. The two countries have had good cooperation in the political, economic, and cultural fields, and formed close ties based on mutual-respect and friendly cooperation.

Qian stressed the point that bilateral economic and trade relations had seen such great progress that the two-way trade volume was more than two billion US dollars last year, significantly greater than in past years. Investment and science and technology exchanges also expanded greatly, he added.

Buddhist Relics from Xian's Famen Monastery were warmly welcomed by the Thai government and people during their display in Thailand last year, becoming a major event in bilateral ties, he said.

Qian said that this shows that improving Sino-Thai cooperation is in the basic interest of the two countries, and benefits peace, stability, and prosperity of both. China, would like to push the bilateral ties, with Thailand's help, to a new high, he added.

On regional and international issues, the two ministers were able to come to a common agreement.

Qian pointed out that the Chinese government has always attached great importance to its economic cooperation with countries along the Mekong River and the joint-development of the river, and the Chinese government appreciates efforts Thailand has made in this regard, and would like to cement relations between the two countries.

He explained that China has a positive attitude towards the upcoming meeting of economic ministers from six ASEAN countries and some east Asian ones, including China. Chinese departments are preparing for the meeting, and a senior leader from China will attend it, Qian said.

Krasae expressed his approval of Qian's views on bilateral ties, and his appreciation for the Chinese government's approval of the Thai trip for the Buddhist Relics.

He also expressed the hope that the two countries can strengthen economic and trade cooperation and in other areas.

### Talks Begin on Spratly Islands With Philippines

HK2003031795 Hong Kong AFP in English 0202 GMT 20 Mar 95

[FBIS Transcribed Text] Beijing, March 20 (AFP)—A high-level Philippine delegation began talks here Monday over the disputed Spratly islands, amid fresh accusations from Manila over Chinese encroachment in the South China Sea archipelago. The Philippine team, led by Undersecretary for Foreign Affairs Rodolfo Severino, will hold three days of talks with Chinese officials led by Vice Foreign Minister Tang Jiaxuan. While the most vocal arguments over the islands have previously been dominated by China and Vietnam, the Philippines recently moved into the spotlight after protesting Chinese construction work on a reef claimed by Manila.

The Spratlys and their adjacent waters—believed to contain vast oil and natural gas deposits—are claimed wholly or in part by Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam.

The talks—part of a regular bilateral dialogue that has been brought forward to deal with the sovereignty issue—will focus on Manila's charges that Beijing illegally deployed warships and built permanent structures on Mischief Reef, part of the island group claimed by the Philippines.

Meanwhile, on Sunday, Senator Rodolfo Biazon, a former Philippine Armed Forces chief, cited military intelligence reports that China had put perimeter markers on Jackson Atoll and Half Moon Reef—also claimed by the Philippines.

So far, the Chinese side has admitted only to building fishing shelters on the disputed reef. "I must point out that this is not a military action. It will not pose a threat to any country," Chinese Foreign Minister Qian Qichen said recently of the construction work. While stressing that Chinese sovereignty over the Spratlys is "indisputable," Qian said he hoped Manila and Beijing could "reach a good understanding through consultations."

The dispute has prompted the Philippines to beef up its forces in the Spratlys, with Philippine lawmakers hastily approving a five-year 50-billion-peso (two-billion-dollar) modernization law for their armed forces—one of the weakest in Asia.

China has repeatedly proposed shelving the sovereignty dispute to allow "common development" of the natural resources.

### More on Talks

BK2003113395 Quezon City ABC-DWET Television in Tagalog 1000 GMT 20 Mar 95

[FBIS Translated Text] The talks between the Philippines and China on the Spratlys issue started today. The

Philippine delegation, headed by Foreign Affairs Undersecretary Rodolfo Severino, is currently in Beijing to meet with Chinese officials, headed by Vice Foreign Minister Tang Jiaxuan. The Philippines' protest over China's construction of structures in Mischief Reef in the Spratlys will be discussed in the meeting.

Meanwhile, Senator Rodolfo Biazon yesterday said that China has placed perimeter markers in Jackson Atoll and Half Moon Reef which are near Palawan.

### Near East & South Asia

### Outcome of Indian Assembly Elections Given

BK1803084895 Beijing China Radio International in Hindi 1500 GMT 16 Mar 95

[Station commentary]

[FBIS Translated Text] In India, state assembly elections were completed in Manipur, Maharashtra, Gujarat, and Orissa by 13 March. New governments have been formed in these four states, while elections are still continuing in other states.

A glance at the election results makes it clear that the ruling Congress-I party won a large number of votes in Manipur, Orissa, and Maharashtra. In Orissa, the party secured a majority and the erstwhile Bharatiya Janata Party [BJP] government had to resign. The Congress-I could not secure an absolute majority in Manipur, and formed a coalition government with the help of other parties. In Maharashtra the Congress-I did not secure a sufficient number of seats to form a government despite winning a large number of votes, and had to relinquish power in this important Indian state. In Gujarat, the BJP-Shiv Sena coalition government took over from the ruling Congress-I, forming the first BJP government in the state's history.

Although the Congress-I maintained its power in Orissa in the state assembly elections, its defeat in the assembly elections in the politically important states of Maharashtra and Gujarat will have an adverse impact on its position in the central government and the popularity of Narasimha Rao, the party chief and prime minister. It may also have a negative effect in the general elections to be held in India next year. After receiving a severe blow in the assembly elections in four states last year, the Congress-I has suffered defeat this year as well. The predominant reason for this is that some Congress-I dissidents supported the opposition. To a considerable extent, this dampened the party's hopes for a complete victory. Besides, some ministers resigned from the Congress-I government because of the securities scam and the sugar scandal. This has also weakened the party's influence and strength in Parliament.

After coming to power, the Narasimha Rao government introduced economic reforms with full vigor, but certain flaws in the reforms have been used by the opposition

parties and Congress-I dissidents against the party. In addition, corruption has become rampant in India. Some government officials have been found to be involved, which displeased voters. Prime Minister Narasimha Rao has taken several steps to enhance the prestige of the Congress-I Party among the people as well as to strengthen the power base of the party. He has also made it clear that he will never abandon the policy of economic reforms. Under these circumstances, however, the Congress-I lost power in two out of four states. The party spokesman said the outcome of the elections does not indicate the failure of the central government's policies. He said this will not pose any threat to the Congress-I Party led by Narasimha Rao.

#### **Zhou Gang Meets Pakistan's Bhutto**

*OW1903115095 Beijing XINHUA in English 1032 GMT 19 Mar 95*

[FBIS Transcribed Text] Islamabad, March 19 (XINHUA)—Pakistani Prime Minister Benazir Bhutto said here today that the prospect of development of the Pak-Sino friendly ties is very bright.

During her meeting with the outgoing Chinese ambassador to Pakistan, Zhe Gang, at the Prime Minister House at noon, Benazir Bhutto said that China has a big marketplace for developing economy.

She added, it will be very conducive to Pakistan's economic growth if both countries further strengthen the friendly bilateral relations.

Zhou Gang is scheduled to leave Pakistan at the end of this month.

#### **Pakistan Industrial Minister To Visit**

*OW1903032395 Beijing XINHUA in English 0243 GMT 19 Mar 95*

[FBIS Transcribed Text] Islamabad, March 19 (XINHUA)—A five-member delegation led by Mohammad Asghar, Pakistani Federal Minister for Industry and Production, left here this morning for a visit to China.

A reliable source from the Chinese Commercial Counselor's Office in Islamabad told XINHUA by telephone that Asghar will discuss with his Chinese counterpart the expansion of Pakistan steel's production capacity.

Cooperation in new areas related to technology transfer and joint marketing in the fields of oil and gas processing equipment, mining equipment, coal fired power plants and mini hydropower stations will also be discussed, he said.

"The delegation will spend a week in China and will visit Beijing, Shanghai, Wuhan and Shenzhen," he added.

China has played a key role in assisting Pakistan in technical field, especially in the development of heavy engineering.

#### **Wu Yi Discusses Trade Ties With Tunisia**

*OW1803002995 Beijing XINHUA in English 0010 GMT 18 Mar 95*

[FBIS Transcribed Text] Tunis, March 17 (XINHUA)—Tunisian Minister of International Cooperation and Foreign Investment Mohamed Ghannoushi held talks today with visiting Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi.

They discussed ways of promoting economic cooperation between China and Tunisia.

The Chinese minister and her delegation arrived here Thursday to take part in the the fifth session of the Joint Tunisian-Chinese Committee which will last two days until Saturday.

Also today, Amer Al-Harshani [name as received], Tunisia's assistant Agriculture Minister in charge of water resources, also met with the Chinese minister.

They probed ways of developing the agricultural cooperation between the two countries.

Al-Harshani reviewed a number of the huge water enterprises which were established as a result of the Chinese-Tunisian cooperation.

He voiced his country's hope that the Chinese companies would contribute to the establishment of some of the water-bottling projects near mountainous lakes and dams, these projects were included in the Tunisian ten-year plan.

For her part, the Chinese minister voiced her satisfaction with the friendly Chinese-Tunisian relations.

She said her visit would provide an opportunity for discussing the prospects of the bilateral cooperation in the field of water projects particularly in water-bottling industry.

#### **Wu Yi Meets With Tunisian Prime Minister**

*OW1803235095 Beijing XINHUA in English 2018 GMT 18 Mar 95*

[FBIS Transcribed Text] Tunis, March 18 (XINHUA)—Tunisian Prime Minister Hamed Karoui met here today with visiting Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi.

According to an official of the Chinese delegation, the Tunisian Prime Minister expressed during the meeting his appreciation for the developments of the Sino-Tunisian cooperation.

The Tunisian Prime Minister hoped that Wu Yi's visit would give a fresh impetus to the further promotion of Sino-Tunisian bilateral ties, the Chinese official said.

During the meeting, Karoui asked Wu Yi to convey to Chinese Premier Li Peng an invitation to visit Tunisia.

Following the meeting, Wu Yi told reporters that her meeting with Karoui was an opportunity for the two sides to review the distinguished Sino-Tunisian ties, as well as the developments of the bilateral cooperation since the previous meeting of the Sino-Tunisian Joint Committee.

Wu Yi also emphasized that China is eager to expand its trade exchange with Tunisia.

Wu Yi is scheduled to leave for Cairo Sunday on her second leg of a Middle East tour.

The Fifth Session of the Sino-Tunisian Joint Committee was wound up here today with the signing of five agreements for economic and trade cooperation between the two countries.

The agreements also included minutes of the fifth session of the joint committee held from March 16 to 18, and the messages exchanged by the two governments in connection with a Chinese grant of 200,000 U.S. dollars to Tunisia.

Trade exchange between China and Tunisia expanded from 48 million U.S. dollars in 1990 to 76 million dollars in 1994.

### West Europe

#### PLA Chief Meets With French Counterpart

OW1703145495 Beijing XINHUA in English 1438  
GMT 17 Mar 95

[FBIS Transcribed Text] Beijing, March 17 (XINHUA)—General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), held talks with the Chief of the Staff of the French Armed Forces, Admiral Jacques Lanxade here today.

Both agreed to increasing high level exchanges between the armies of the two countries.

During the talks, Zhang briefed Lanxade on China's views on international situations, especially on issues in the Asia-Pacific region. He also talked about China's defense policy, the building of PLA and its tasks, as well as China's stand on developing relations with the French armed forces.

Zhang said that China takes a positive attitude toward the development of military relations which can be an important component of bilateral relations.

With the restoration and development of bilateral relations, he said, relations between the two armed forces should also be restored and developed, and Lanxade's current visit to China is an official indication of this.

Lanxade explained the readjustments of the French Armed Forces and the French views on the European situation. Before the talks, Zhang presided over a welcoming ceremony for Lanxade, and after that, hosted a banquet for Lanxade and his party.

Lanxade arrived here this morning at Zhang's invitation on an eight-day official visit to China, making him the first European military leader to visit China since 1989.

Speaking to XINHUA soon after his arrival in Beijing this morning, Lanxade said that following French Prime Minister Balladur's visit to China and Chinese President Jiang Zemin's visit to France, the relations between the countries in various fields have become normal, and the purpose of his current visit to China is to meet Chinese military leaders and establish ties between them.

#### Chi Haotian Meets French Armed Forces Chief

OW1803091195 Beijing XINHUA in English 0841  
GMT 18 Mar 95

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—Chinese State Councillor and Minister of Defense Chi Haotian met with Admiral Jacques Lanxade, chief of staff of the Armed Forces of France, here today. [Beijing XINHUA Domestic Service in Chinese at 0855 GMT on 18 March carries a variant version that reads: ...Forces of France at noon today in the Diaoyutai State Guesthouse.] Both expressed a desire to further expand ties between their armed forces.

Extending his warm welcome to Lanxade, General Chi said the Chinese people and their armed forces have cherished friendly sentiments towards the French people and army.

The Chinese people will never forget France as one of the first Western nations to establish diplomatic relations with China at the ambassadorial level, Chi noted.

He said that both China and France are permanent members of the United Nations Security Council and influential big countries in the world.

Developing the friendly and cooperative ties between the two countries and their armed forces is not only in the fundamental interests of the two nations but of great importance to safeguarding world peace and stability as well, he added. Chi expressed his conviction that Lanxade's current visit to China will give an impetus to the promotion of the relations between the two countries and the two armed forces.

Lanxade said that he was very pleased to have the chance to confer with Chinese military leaders on the expansion of the relations between the two armed forces and witness himself the rapid growth of China's economy.

France and China are permanent members of the UN Security Council, both playing important roles in maintaining world peace and stability, he added.

In the new world situation, Lanxade said France and China should make fresh contributions in this regard.

"France will do its utmost to advance the relations between the two armed forces and hope that such exchanges will keep expanding," he said.

After the meeting, Chi gave a luncheon in honor of the French visitors. General Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army, attended the meeting and banquet.

This morning, Lanxade delivered a speech at the National Defence University, in which he gave an account of France's views on the relevant international issues and its defense policies.

Prior to his speech, Lanxade met with General Zhu Dunfa, president of the university.

### East Europe

#### **Qian Qichen Meets With Prime Minister Silajdzic**

*OW1703134595 Beijing XINHUA in English 1328 GMT 17 Mar 95*

[FBIS Transcribed Text] Beijing, March 17 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with visiting Bosnia-Herzegovina Prime Minister Haris Silajdzic here today.

During their conversation, Silajdzic briefed Qian on the development of the situation in Bosnia-Herzegovina, and his government's stand.

Qian said that China is willing to develop relations with all countries of the former Yugoslavia, including Bosnia-Herzegovina, based on the five principles of peaceful co-existence, without discriminating against any one of them.

China is very much concerned about the situation in Bosnia-Herzegovina, and supports its entry into the United Nations (UN) as an independent country, and respects its sovereignty and territorial integrity. Qian added, noting that "we sincerely hope that the cease-fire in Bosnia-Herzegovina can continue, and the resumption of peace and the peaceful co-existence of different nationalities in the area can be realised at an early date."

"We support any efforts by the international community which are conducive to a peaceful resolution, and political solutions acceptable to all parties in Bosnia-Herzegovina," he said. "We have no special interest in the area, show no partiality to either side, and we are willing to continue our efforts to push forward the peace progress in Bosnia-Herzegovina," he said.

Praising the policy China has adopted to maintain and develop friendly relations with countries of the former Yugoslavia, Silajdzic said he believes that China, as a permanent member of the UN Security Council, can

exert influence and play an important role in solving the Bosnia-Herzegovina issue and other problems in the former Yugoslavia.

During the meeting, both sides agreed to establishing their diplomatic relations as soon as possible.

Silajdzic conveyed the regards of Bosnia-Herzegovina President Alija Izetbegovic to Chinese leaders while Qian asked that he convey the Chinese leaders' regards to Izetbegovic.

Silajdzic and his party are here as guests of the Chinese People's Institute of Foreign Affairs from March 16 to 17. During their visit, President of the Institute Liu Shuqing met with and gave a dinner for Silajdzic and his party.

#### **NPC Vice Chairman Meets Hungarian Visitors**

*OW2003114495 Beijing XINHUA in English 0929 GMT 20 Mar 95*

[FBIS Transcribed Text] Beijing, March 20 (XINHUA)—Chen Muhua, Vice-Chairman of the Standing Committee of Chinese National People's Congress (NPC), met with Jozsef Marjai, former deputy prime minister of Hungary, and his party here today.

Jozsef and his party arrived here yesterday as guests of the Chinese People's Institute of Foreign Affairs.

#### **Liu Shuqing Receives Hungarian Dignitary**

*OW1903115195 Beijing XINHUA in English 1113 GMT 19 Mar 95*

[FBIS Transcribed Text] Beijing, March 19 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, met with Marjai Jozsef, former deputy prime minister of Hungary, and his party here today.

The two sides briefed each other on the domestic situation of their respective countries, and exchanged views on regional as well as international subjects of common interest.

After the meeting, Liu hosted a banquet for his guests, who arrived in Beijing today.

#### **Defense Minister Meets Romanian Official**

*OW0403161195 Beijing XINHUA in English 1549 GMT 4 Mar 95*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—Chinese State Councillor and Defense Minister Chi Haotian met with Mircea Pascu, Romanian Secretary of State of the Ministry of Defense, and his party here this evening.

## NPC

### NPC To Pass Work Report Presented by Li Peng

HK1803054495 Hong Kong EASTERN EXPRESS in English 18 Mar 95 p 7

[By Bruce Gilley in Beijing]

[FBIS Transcribed Text] The government work report presented by the Premier, Li Peng, will be passed by the National People's Congress today without any revision to the main economic targets in what will be a day of relief for senior leaders after yesterday's disastrous vice-premiers' vote.

In a copy of the revisions seen by Eastern Express last night, Li states that in addition to some changes in noneconomic areas, the language of the report is changed "in many places" but does not give details. Among revisions are praise for the 6 per cent output growth by the country's transport sector last year.

The usual praise for "effective" work on overseas Chinese affairs, which was strangely left out of the summary for 1994 in the original, is reinserted. The report is made stricter on the budget, adding the call on treasury chiefs to "work hard to increase revenues and reduce expenditures" after the declaration that the country's overall fiscal stance this year would be "appropriately tight".

Concerns about social stability are reflected in the addition of "social tranquillity" to "healthy economic development" as the basis for improving the fate of the country's crisis-ridden agricultural sector. On the same topic, government leaders at every level are urged to "pay attention to and really act to strengthen agriculture". The move to increase investment in agriculture is tempered with the warning that such funds must not be embezzled.

The country's growing uproar over rampant fake and poor quality products is reflected in a call to improve product quality inspections. The revisions include an appeal to planners to look beyond 2000 and prepare for the ninth five-year-plan.

In remarks on the country's state enterprise reforms for the year, which said the "very difficult and complicated task" would require competent leaders, the revisions include a new call for the spirit of workers as "masters of the workplace" to be brought into full play to smooth the changes. Gambling is included in the section on attacking social evils, which previously mentioned only prostitution. The section on avoiding serious accidents asserts that "those responsible should be seriously dealt with".

In a critical summary of the 1995 budget report also to be given today, the NPC finance committee vice-chairman, Li Hao, states that keeping the deficit within target will be difficult. Four main proposals by delegates

include better policing of tax evasion, increased supervision over budget accounting, strict controls on spending and continued efforts to reform the country's tax code.

The budget proposals report includes the suggestion that excess revenues be strictly used to reduce the deficit, rather than to support increased spending. Last year, total state revenues exceeded target by 8.9 per cent, but expenditures overshot the target by 7.2 per cent leading to a budget deficit only slightly lower than forecast.

One measure suggested to control spending is a clamp-down on the use of public funds to conduct trade and investment fairs abroad, a phenomenon which has continued with little let-up despite a State Council regulation passed in 1993 to control the scale of the events. The implementation of the full tax reform package negotiated with the provinces in 1993 would lead to "a big change for the better" in the country's financial situation, the report adds.

### Delegates Criticize Li Peng

OW1903025495 Tokyo KYODO in English 0137 GMT 19 Mar 95

["News Focus" by Robert J. Saiget: "Delegates Criticize Li Peng as Jiang Zemin Looks On"]

[FBIS Transcribed Text] Beijing, March 19 KYODO—The seating arrangement Saturday [18 March] on the final day of the Third Session of China's Eighth National People's Congress (NPC) made interesting study as President Jiang Zemin and other nongovernmental party leaders sat on the left and Premier Li Peng and his government on the right.

In the center of the front row was NPC Chairman Qiao Shi, flanked by his NPC vice chairmen, as he presided over the final day of one of the liveliest Chinese legislative sessions in recent memory, which was marked by sharp and open criticism of the government.

Although most of the officials seated on the podium were high-ranking party officials, at this congress the NPC made its slow evolution toward Qiao's goal of strengthening the body's supervisory functions by mainly exerting pressure on Li's government.

Whether by design or by circumstance, the result of the congress put government work more under the critical eye of the NPC, while Jiang, as paramount leader Deng Xiaoping's handpicked core of the third-generation Chinese leadership, seemed free to continue the communist tradition of few checks and balances on party power.

Ironically, the criticism that went on at the NPC was the result of Li's own unprecedented self-criticism in his government work report that was read at the beginning of the congress.

Li openly admitted mistakes, saying his government failed to hold price rises below the targeted 10 percent, as retail prices soared 21.7 percent nationwide last year.

"If they are going to set such important targets and then not be able to realize these numbers, then they should get out of power," Liu Caipin, a delegate from Jiangsu Province, railed several days later in a small-group discussion.

In group discussions, criticism of the Li government's failure to hold down inflation was universal, while attacking government work in key areas of work for 1995, including falling yields of grain, diminishing farmlands and China's burdensome enterprise reform.

"Right now, if peasants can get away without tilling their fields, they will, or perhaps they will, grow enough grain for their own family and then wherever they can go to earn money they'll go there," said Zhang Pin, a delegate from Hebei Province, criticizing the government's agricultural pricing policy.

Li Xinfang, also of Hebei, said, "if the costs for planting a mu (0.067 hectares) are 240 yuan and the value of the yield only 250 yuan, then who is going to farm for a profit of 10 yuan a mu?"

Zhao Weichen, standing member of the Chinese People's Political Consultative Conference (CPPCC), criticized economic work and said Li Peng's report was too vague for a country as big as China.

"The report calls for 8 or 9 percent economic growth, but it is not specific, some areas must grow faster and some areas slower, if the government work report cannot address the specific conditions of different areas then these numbers shouldn't be used generally," he said.

Other CPPCC members also criticized economic policy. Zheng Dunxun said preferential treatment for centralized state-run enterprises was unfair for smaller enterprises on the verge of bankruptcy.

"There are too many regulations prohibiting small enterprises to merge or conglomerate, furthermore they don't have the right to import or export or even go bankrupt, so how can they solve their problems if the government doesn't allow them too?" he asked.

Despite widespread and open discussions on China's problems, many delegates admitted that the legislature's functions are still not powerful enough and that what was going on was just "a lot of talk."

"We continue to speak out and say what's on our minds, but who knows what good it does?" Said Chen Peidi, CPPCC delegate from Beijing.

"I don't know about the Standing Committee, but I feel we don't have any supervisory function," Liu Caipin said.

Furthermore, despite the talk, the Chinese press carried little if any of the controversy that erupted at the congress, including the voting results that showed up to 36 percent opposition to certain issues—something unheard of at earlier congresses.

"The NPC is showing that the government is going to have to be accountable for its mistakes for at least the length of the NPC session," one Western diplomat said, "and right now the accountability is pointing at Li Peng."

For President Jiang, who further holds the all-powerful posts of party secretary and chairman of the Central Military Commission, the NPC developments are set to help him fulfill the task given him by Deng Xiaoping, that is "to strengthen the core of the collective leadership of the party."

### NPC Revises Government Work Report

OW1803095195 Beijing XINHUA in English 0906  
GMT 18 Mar 95

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—China will "severely punish the corrupt officials without mercy."

This is one of the revisions to the government work report made on the basis of the deliberation results of the deputies to the National People's Congress [NPC] and the members of the CPPCC National Committee.

The revised version on the nation's anti-corruption drive in the Premier's work report now reads: "The importance of the fight against corruption should be viewed as a matter of life or death for the country, and we must severely punish the corrupt officials without mercy."

Of the 16 major changes made to the government work report, most concern agriculture and the reform of the state-owned enterprises.

With investment in agriculture, a revision is added that "the agricultural input can not be diverted for other use."

In addition to developing agricultural production of scale, the areas with fine conditions could also "promote intensive farming to enhance the efficiency of agricultural production," one revision says.

Another revision says that "the mind should be emancipated" in dealing with the hard and complicated task to reform the state-owned enterprises. It also asks to bring the role of the workers as masters of the country into full play in the course of management reform inside the enterprises.

Addition is also made to encourage the development of individual, private and foreign-funded businesses and intensify management over them according to law; while at the same time the state and collective economic sectors will be promoted.

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In the chapter relating to the prevention of accidents, those responsible will be seriously dealt with, another revision says.

### NPC Affirms Work Report

OW1803152595 Beijing XINHUA Domestic Service in Chinese 0829 GMT 18 Mar 95

[FBIS Translated Text] Beijing, 18 Mar (XINHUA)—Resolution of the Third Session of the Eighth National People's Congress [NPC] on the "Government Work Report," adopted by the Third Session of the Eighth NPC on 18 March 1995.

The Third Session of the Eighth NPC examined and discussed the government work report delivered by Premier Li Peng on behalf of the State Council. The session believed that 1994 was a year in which all Chinese people advanced with giant strides along the road of building socialism with Chinese characteristics, and that important successes were achieved in socialist modernization. The report's summary of last year's work is realistic, its analyses of the existing difficulties and problems are objective, and the tasks it sets for the new year can be accomplished. The session has approved the report.

The session pointed out: It is important for us to continue to promote reform, opening up, and modernization in 1995. All the tasks in China must be guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line. We must comprehensively implement the guidelines laid down by the 14th National Party Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee; continue to keep the overall situation—"seize the opportunity, deepen reform, open up wider, promote reform, and maintain stability"—facing our work nationwide well in hand; properly handle the relationship between reform, development, and stability; accelerate the establishment of a socialist market economic system; bring about sustained, rapid, and healthy national economic development [guo min jing ji chi xu kuai su jian kang fa zhan 0948 3046 4842 3444 2170 4958 1816 6643 0256 1660 4099 1455]; strengthen the building of socialist spiritual civilization, democracy, and the legal system; and promote all-round social progress. We must seek unity of thinking, assume responsibility for the overall situation, improve coordination, handle work in a down-to-earth manner, and strive to fulfill all the tasks determined by the session.

The session required that it is necessary to maintain an appropriate economic growth rate; practically shift the focal tasks of developing the economy to restructuring, increase beneficial results, and improve the quality of economic growth; continue to strengthen and improve macroeconomic regulation and control and pay attention to solving the conspicuous contradictions and problems facing us in promoting economic development; support the central and western regions to accelerate

economic development; take effective measures to gradually rationalize the relations of distribution; bring the scale of capital construction under strict control, intensify readjustment of the investment structure, and adhere to the correct orientation for investment to guarantee the proportion of investments in such basic industries as agriculture, transportation, communications, energy infrastructure, and technical transformation projects; further open our doors to the outside world, continue to successfully run special economic zones and Shanghai's New Pudong Area, and bring into full play the positive role of open cities and zones; and resolutely implement such basic national policies as family planning and environmental protection.

The session required that it is necessary to take resolute and effective measures to curb inflation; practically increase the supply of essential goods; bring the quantity of monetary supply, scale of credit, and scale of investment in fixed assets under strict control; rein in the excessively rapid growth of consumption funds; deepen reform of the circulation system; vigorously strengthen control over the market and commodity prices; consolidate the order of circulation; practically strengthen supervision and inspection of commodity prices and, in particular, the prices of daily necessities for the masses; and ensure that there is a marked decrease in the magnitude of price hikes from that of the previous year.

The session demanded: We should conscientiously make agriculture a priority task in the nation's economic work, make great efforts to change the stagnant condition of agricultural development, and ensure the steady expansion of agriculture. We should adhere to the various basic policies for rural areas and continue to deepen rural reform. We should conscientiously implement the various measures which were put forward in the government work report for promoting all-round development of the rural economy; continue to increase the income of peasants and enhance farmers' enthusiasm in production; and do everything we can to reap a bumper harvest this year.

The session demanded: Focusing on reform of state-owned enterprises, we should continue deepening reform of the economic structure and accelerate the establishment of a socialist market economy. We should persist in separating the functions of the government from those of enterprises, make genuine efforts to change the functions of government, give enterprises greater power to make operational decisions independently, improve management in enterprises, and accelerate the transformation of the operating mechanisms of state-owned enterprises. We should actively push ahead reform of the social security system centered on old-age pensions and unemployment insurance. We should conscientiously promote industrial production, readjust the industrial setup and the product mix, improve the quality of products and enterprises' economic performance, make great efforts to reduce losses and increase profits, and actively strive to resolve the problem of debts among enterprises.

The session stressed: In the process of reform and opening up to the outside world and the modernization drive, we must unswervingly adhere to the principle of doing two types of work at the same time, attaching equal importance to both, and strengthen the building of socialist spiritual civilization. We should unremittingly use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to educate cadres and the people; conduct in-depth education on patriotism, collectivism, and socialism; inherit and develop the traditional ethics of the Chinese nation; and earnestly strengthen education on public and professional ethics. We should encourage a healthy and civilized life-style and promote good prevailing customs in society. We should deepen reform of the system for managing science and technology and accelerate the translation of scientific and technological advances into productive forces. We should further implement the strategy of giving priority to educational development, continue to increase investment in education, deepen educational reform, and accelerate the development of education. We should persist in the correct orientation, expand cultural undertakings, and make great efforts to develop health work and sports.

The session stressed: We should pay special attention to developing socialist democracy and improving the legal system. We should continue opening up and unclogging democratic channels and earnestly protect the people's democratic rights. Governments at all levels must carry out their functions according to law, raise their law-enforcement ability, and resolutely rectify the phenomenon of not abiding by law, being lax in enforcing laws, and letting law-breakers go free. We should conduct thorough education on the legal system and enhance cadres' and the masses' awareness of the legal system. We should pay attention to improving all facets of public security and strive to further improve public order. We should tighten supervision over and increase restrictions on government institutions and their working personnel; launch a deep-going and sustained struggle to ensure that government functionaries are honest and hardworking; fight corruption; and punish corrupt elements according to law. Leading cadres at all levels should go deep into the reality of life and go to the grass-roots units to conduct investigations and studies; they should earnestly change their work-style, strengthen discipline, and ensure the smooth implementation of state decrees and policies. Making false reports, exaggeration, and practicing fraud are manifestations of corruption and must be resolutely checked. We should practice the principles of thriftiness and hard work and oppose extravagance and waste. We should conscientiously implement the Law on National Regional Autonomy, develop a new socialist relationship of equality, unity, and mutual aid among the nationalities, safeguard the reunification of the motherland, and promote common prosperity among the various nationalities. We should enhance the

nation's awareness of the importance of national defense and strengthen the endeavor to modernize national defense.

The meeting asked that various preparatory tasks for China's resumption of the exercise of sovereignty over Hong Kong and Macao be enhanced so as to achieve their smooth and steady transition, as well as to maintain their long-term stability and prosperity. The eight-point proposal for promoting the process of the motherland's peaceful reunification forwarded recently by President Jiang Zemin clearly points out the direction for the development of cross-strait relations at the present stage and is enthusiastically received by compatriots at home and abroad. We must promote the process of the motherland's peaceful reunification in accordance with President Jiang Zemin's eight-point proposal. We resolutely oppose "two Chinas" or "one China, one Taiwan" in any form, and oppose any attempts or actions aimed at bringing about "Taiwan independence." We appeal to all Chinese to unite and hold high the great banner of patriotism, uphold reunification, oppose separation, spare no efforts to promote the development of relations between the two sides of the Taiwan Strait, and promote the accomplishment of the great cause of the motherland's peaceful reunification.

The meeting pointed out: We will continue to unswervingly pursue the independent foreign policy of peace, establish and develop friendly relations with other countries, oppose hegemonism and power politics, safeguard world peace, and promote social development and mankind's progress. We advocate that a new international political and economic order which is peaceful, stable, just, and equitable be established between nations on the basis of the Five Principles of Peaceful Coexistence and other universally recognized norms governing international relations. This year marks the 50th anniversary of the victories of China's War of Resistance Against Japan and the world's anti-fascism war, as well as the United Nation's 50th founding anniversary. Our nation will hold solemn commemorative activities. We will never forget the unprecedented calamity the war of aggression brought to mankind. We must never allow that tragedy of history to be repeated. The Chinese people will strive and struggle together with the people of the world for the lofty cause of peace and development.

The meeting called: All nationalities of the country must, under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core, unite closely, work with one heart and one mind, struggle arduously, rouse our efforts vigorously for the country's prosperity, and strive for further advancement to snatch greater victories in the cause of reform and opening up and socialist modernization.

#### **NPC Session Approves Other Work Reports**

##### **Supreme People's Court Report**

*OW1903123795 Beijing XINHUA Domestic Service in Chinese 1108 GMT 18 Mar 95*

[Resolution of the Third Session of the Eighth National People's Congress [NPC] on the Work Report of the Supreme People's Court; adopted on 18 March 1995]

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[FBIS Translated Text] Beijing, 18 Mar (XINHUA)—The Third Session of the Eighth NPC approves the "Work Report of the Supreme People's Court" presented by court President Ren Jianxin.

#### **Supreme People's Procuratorate Report**

OW1903123995 Beijing XINHUA Domestic Service in Chinese 1108 GMT 18 Mar 95

[Resolution of the Third Session of the Eighth National People's Congress [NPC] on the Work Report of the Supreme People's Procuratorate; adopted on 18 March 1995]

[FBIS Translated Text] Beijing, 18 Mar (XINHUA)—The Third Session of the Eighth NPC approves the "Work Report of the Supreme People's Procuratorate" presented by Procurator General Zhang Siqing.

#### **Social, Economic Development Plan Resolution**

OW2003040595 Beijing XINHUA Domestic Service in Chinese 1113 GMT 18 Mar 95

[FBIS Translated Text] Beijing, 18 Mar (XINHUA)—Resolution of the Third Session of the Eighth National People's Congress [NPC] on the Implementation of the 1994 Plan for National Economic and Social Development and on the 1995 Plan for National Economic and Social Development

Adopted by the Third Session of the Eighth NPC on 18 March 1995

Through deliberation and according to an examination report by the NPC Financial and Economic Committee, the Third Session of the Eighth NPC has decided to approve the 1995 plan for national economic and social development submitted by the State Council and a "Report on the Implementation of the 1994 Plan for National Economic and Financial Development and the Draft 1995 Plan for National Economic and Social Development" given by Minister Chen Jinhua of the State Planning Commission on behalf of the State Council.

The session concurred with the suggestions put forward by the NPC Financial and Economic Committee in its examination report on fulfilling the 1995 plan. The session calls on governments at all levels to take the whole national economy into account and safeguard the interests of the country as a whole; to properly handle the relationship among reform, development, and stability in the course of economic development; and to focus their attention on the optimization of the structure, the strengthening of management, and improvement of quality and efficiency. In implementing the plan, they should effectively carry out appropriately tight financial and monetary policies, strictly control the scale of investment in fixed assets and rapidly growing consumption funds, and strive to increase revenue. They should strictly control expenditure according to the budget,

control the scale of credit and amount of currency issued, make sure that price rises are noticeably lower than last year, and make every possible effort not to exceed the objective of regulation and control through planning. They should truly give first priority to strengthening agriculture in economic work and fully arouse peasants' enthusiasm for production. It is necessary to deepen the reform of state-owned enterprises and try in every possible way to improve economic performance and to reduce losses. Further efforts should be made to effectively bring about social development and to promote economic and social development in a coordinated way. It is essential to be concerned about the well-being of the masses by continuing to actually raise their living standards. Leading cadres at all levels should seek unity of thinking, work hard with one heart and one mind, practice economy, and mobilize and rely on the masses to implement the 1995 plan for national economic and social development in an all-around way.

#### **Qiao Shi Urges Deputies To Abide By Constitution**

OW1903154895 Beijing XINHUA in English 1530 GMT 19 Mar 95

[FBIS Transcribed Text] Beijing, March 19 (XINHUA)—The most fundamental part in the work for the people's congresses at all levels is to perform their duty strictly according to the country's Constitution, China's top lawmaker Qiao Shi said here today [19 March].

Speaking at a meeting attended by the top provincial lawmakers of the country today, Qiao said that the legislative bodies at all levels should ask the local party committees for more guidance and the local party committees should attach greater importance to and support the work of the local legislative bodies at all levels.

Qiao Shi is the chairman of the Standing Committee of the National People's Congress (NPC) and those attending the meeting were chairmen of the provincial, autonomous regional and municipal people's congresses.

Speaking of this year's NPC work, Cao Zhi, Secretary-General of the NPC Standing Committee, said that all law draftings must be in line with China's Constitution and the lawmakers must have the nation's whole situation, the entire interests of the state and the fundamental interests of the people in mind.

The new drafts should be in connection with the current laws and measures should be taken to improve the deliberations of the laws, Cao added.

The NPC Standing Committee will continue to lay stress on the inspection and supervision of the implementation of laws and regard the work as equally important as lawmaking, he said.

#### **Li Peng Stresses Anti-Inflationary Measures**

OW1803111195 Beijing XINHUA in English 1001 GMT 18 Mar 95

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—Chinese premier Li Peng said today that his

government will redouble its efforts to scale down inflation and promote agricultural growth this year.

Li said at a press conference this afternoon that he has put forward concrete measures to fulfill the tasks in his report to the National People's Congress and these measures have been approved by the legislature.

He stressed the importance of a good agricultural harvest to the state's anti-inflation move as a shortage in supply of grains and staple food contributed largely to the price rises last year.

If China can increase supply of these agricultural products, inflation will decline markedly this year, Li said.

He said that both the central and local authorities will pour more funds into the farming sector and applicable farming technology will be widely used to lift yield.

China made a number of adjustments to the pricing system last year which were necessary for agricultural and industrial development, Li said. "Generally speaking, this year the government will not take any new measure to adjust prices," he said.

He also said that as China is still in the process of establishing a market economy, there are confusions in the circulation system and that was partly responsible for the price rises last year.

He told the press that the government will rectify the circulation sector this year to curb unreasonable profiteering.

Li said that now that the National People's Congress has adopted the government's target to bring down inflation to around 15 percent this year, governments at all level "must take the responsibility to accomplish the task".

He stated that as the state's macro-control measures have begun to take effect, the national retail price index has been stabilized and dropped to below 20 percent in February for the first time since last June.

#### **NPC Resolution on 1994 Accounts, 1995 Budget**

SK2003022195 Beijing XINHUA Domestic Service in Chinese 2018 GMT 18 Mar 95

[FBIS Translated Text] Beijing, 18 March (XINHUA)—The Resolution of the Third Session of the Eighth National People's Congress [NPC] on the implementation of the 1994 state budget and the 1995 central and local budgets adopted at the Third Session of the Eighth NPC on 18 March 1995:

Through examinations and discussions and according to the examination report of the financial and economic committee of the NPC, the third Session of the Eighth NPC decided to approve the 1995 central budget of the State Council and the "report on the implementation of the 1994 state budget and the 1995 central and local draft budgets" proposed by Liu Zhongli, minister of finance, on behalf of the State Council.

The session approved the suggestions on realizing the 1995 central and local budgets proposed by the financial and economic committee of the NPC in its examination report. The session urged governments at various levels to strictly enforce the "PRC Budget Law," safeguard the solemnity of the central and local budgets, and intensify the restriction of budgets. While implementing budgets, we should realistically carry out the policy on appropriately tightening finances; strive to increase income and decrease expenditure; administer tax affairs strictly according to laws; intensify the collection and management of revenues; collect taxes that should be collected, according to laws; and strive to greatly increase the revenues of the whole country. A portion of the central extrabudgetary revenues should be used to make up for the deficits when a portion of the local extrabudgetary revenues should be used to solve the financial problems left in the past. The leading cadres at various levels should firmly foster the thinking of taking the overall situation into consideration, make concerted efforts, do their work in a down-to-earth manner, wage an arduous struggle, work diligently, practice economy, and make efforts to realize the 1995 budget.

The session authorized the NPC Standing Committee to examine and approve the final 1994 state accounts.

#### **Qiao Shi Meets NPC Deputies From Hong Kong, Macao**

OW1903142095 Beijing XINHUA Domestic Service in Chinese 1136 GMT 18 Mar 95

[By RENMIN RIBAO reporter Yan Bing (0917 0393) and XINHUA reporter Zhao Wei (6392 5898) ]

[FBIS Translated Text] Beijing, 18 Mar (XINHUA)—Today, during a meeting at the Great Hall of the People with Hong Kong and Macao deputies attending the Third Session of the Eighth National People's Congress [NPC], Qiao Shi, chairman of the NPC Standing Committee, said: Hong Kong compatriots have been concerned about what Hong Kong will be like after it returns to the motherland. According to the concept of "one country, two systems," Hong Kong's current system will not change, and it will be more stable and prosperous and will further develop.

Also attending the meeting were Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Li Ximing, Wang Bingqian, Pabalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Buhe, Tomur Dawamat, Li Peiyao, and Wu Jieping—all vice chairmen of the NPC Standing Committee.

After listening to remarks by deputies, Qiao Shi pointed out: The Third Session of the Eighth NPC, which just closed, was very successful; it ensures that China will continue to forge ahead in promoting socialist democracy and building a socialist legal system. NPC deputies from Hong Kong and Macao represent the interests of the vast numbers of Hong Kong and Macao compatriots

as well as the interests of people across the nation—fundamentally speaking, the interests of the two accord with each other.

Qiao Shi pointed out: Both Hong Kong and Macao now have their basic law; in handling issues concerning Hong Kong's and Macao's return to the motherland, we should follow the two basic laws and the principles stated in the Sino-British and Sino-Portuguese joint statements. Only by doing so can we ensure Hong Kong's and Macao's long-term prosperity and stability and continued development. Hong Kong now has entered the late transitional period, and the NPC Standing Committee has set up a preliminary work committee. He hoped the preliminary work committee will do early preparatory work well for the Preparatory Committee of the Hong Kong Special Administrative Region, and that NPC deputies from Hong Kong and Macao will make greater contributions to maintaining Hong Kong's and Macao's prosperity and stability.

At the meeting, some deputies expressed their opinions on how NPC deputies can play a bigger role and on ensuring Hong Kong's and Macao's stable transitions.

#### **Chairman Qiao Shi Talks With Heilongjiang Deputies**

SK1703141295 Harbin Heilongjiang People's Radio  
Network in Mandarin 1000 GMT 16 Mar 95

[FBIS Translated Excerpt] Last night's rainfall added the warmth of a spring air to Beijing. On the morning of 16 March, the white magnolias and red azaleas of the Guoyi Guesthouse where our provincial delegation stayed vied with one another to come into bloom. At 0900 in the morning, the Heilongjiang delegation participating in the third session of the Eighth National People's Congress [NPC] held the fourth plenary meeting. Qiao Shi, Standing Committee member of the Political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, came to the meeting place. The deputies welcomed him with warm applause. Yue Qifeng, secretary of the Heilongjiang provincial party committee, first introduced to Chairman Qiao Shi the situation that our provincial delegation examined and discussed the government work report in the past days, and then talked about Heilongjiang's 1994 economic development situation.

Yue Qifeng said: Heilongjiang now has extreme difficulties. There is both our own work problems and the problems due to the state having not worked out sufficient preferential policies toward our province. We hope the chairman will pay close attention to this and will urge the central authorities and State Council to increase input into Heilongjiang's agriculture, to give preferential policies and laws to areas with natural resources, and to arrange more substitute industrial development projects and more capital for Heilongjiang.

Chairman Qiao Shi nodded his head while hearing Yue Qifeng's speech. When the topic turned to the issue of

Heilongjiang's raw material product structure, Yue Qifeng earnestly said: Our wooded areas, collieries, and oil fields are finding the going tougher and tougher. It is not so early to develop substitute industries. Last year, the Petroleum Department took more than 10 billion yuan from the Daqing Oil Field. Can the department leave several million yuan to the oil field and have it develop substitute industries? If we do not take precautions now, the oil wells will become obsolete. What shall the one million people there do then? We should be responsible for history.

Chairman Qiao Shi stated: Several million yuan should be given annually to the oil field under such a situation. I agree with you. After then, he asked with concern about Heilongjiang's per capita income and market prices.

The subjects discussed at the meeting were of wide range, involving issues concerning strengthening the construction of democracy and the legal system, promoting social stability, developing education, and enlivening large and medium enterprises.

Deputy (Jiao Xiangyun) suggested that the NPC Standing Committee should establish a special legislative organization in charge of making draft laws so as to avoid relying mainly on functional departments to make laws or causing the phenomena that laws are not mutually integrated and even mutually contradictory, and should necessarily revise, supplement, and perfect the existing laws so as to make them more operational. He also urged the NPC Standing Committee to work out as soon as possible supervisory laws so as to timely correct the problems of not abiding by laws. [passage omitted]

Chairman Qiao Shi concentrated his attention on listening to the deputies' speeches, then asked opinions from Yue Qifeng, seated beside him, about some of the questions. Finally, he made a brief speech in line with the opinions and suggestions made by the deputies.

He said: I agreed with some of your opinions. We are now in the system reform period, so many difficulties and problems exist. The PRC, being a large country, has many excellent cultural heritages. It will take more than 100 years to build the PRC into a modernized country. Our strength of more than 1 billion people is great. The existing numerous difficulties should be tidied over. Instead of giving oral efforts, we should proceed from realities to solve some of the problems. If we really achieve this and ensure that both spiritual and material civilizations are solid, the PRC will have great prospects.

#### **Qiao Shi Speaks at Closing of NPC**

OW1903040495 Beijing XINHUA Domestic Service in Chinese 0839 GMT 18 Mar 95

[FBIS Translated Text] Beijing, 18 Mar (XINHUA)—Chairman Qiao Shi's Speech at the Third Session of the Eighth National People's Congress [NPC] on 18 March 1995

Fellow deputies:

In accordance with the regulations of the Constitution and the law, and through your common efforts, the Third Session of the Eighth NPC examined and approved the government work report, the 1995 national economic and social development plan, and the 1995 central budget; approved the "PRC Education Law," the "PRC Law of the People's Bank of China"; examined and approved the NPC Standing Committee work report, the work reports of the Supreme People's Court and the Supreme People's Procuratorate; decided on the selection of two vice premiers; and by-elected two NPC Standing Committee members. Having accomplished all the topics on the agenda, the session has been a complete success.

This session, which has fully fostered socialist democracy and upheld the principle of democratic centralism from beginning to end, is a democratic, united, truth-seeking, and pragmatic meeting imbued with exploratory spirit. It is a meeting in which we have unified our thinking, established our confidence, and boosted our morale; and it is an important meeting to promote reform, opening up, and the socialist modernization cause. During the meeting, you have, proceeding from the country's overall interests and the people's fundamental interests, earnestly discharged your constitutional and legal responsibilities, freely aired your views, and, through pooling your collective wisdom and working together in discussing state affairs, put forward your suggestions for and your views about the work in various quarters. Some of your suggestions and views have been incorporated with relevant reports, resolutions, and laws; and some have been referred to relevant quarters for studies. The resolutions and decisions adopted by the session have reflected the wishes of people throughout the country and expressed their will. This meeting certainly will play an important role in further arousing the whole nation's enthusiasm to accomplish all assignments for this year and bring about a new situation for reform, opening up, and modernization.

We are now most concerned with how to implement all the resolutions and decisions which this meeting has adopted. The reform and construction assignments are highly formidable this year, the last year for achieving the targets set forth in the Eighth Five-Year Plan, and the year for making proper preparations for the Ninth Five-Year Plan period. To ensure the accomplishment of all the assignments that have been decided upon, we must, in light of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, always adhere to the party's basic line, firmly uphold the principle of promoting socialist material and ethical construction at the same time, have a clear understanding of the situation and our responsibilities, and work hard in unity. We must proceed from practical needs and do our work creatively according to the objective law so that each and every decision and plan of the state will be genuinely

carried out. State organs and state personnel at all levels must always think of the masses, be concerned about them, count on them in everything, and consider the interests of the broadest masses of people as the starting point and the fundamental objective of all our work. We must continue to change our work style, go deep into the realities of life, forge close ties with the masses, and, with the spirit of reform, earnestly address one by one the new problems emerging on our way and the heated issues about which the masses are concerned. We should speak the truth, do solid work, and be mindful of actual results. We should shun empty talk, discontinue making routine requests, and start to address practical problems. We must conscientiously seek truth from facts and never do our work formalistically, make false reports, or exaggerate achievements. Leaders at all levels and all cadres must firmly stop and correct the bad conduct of fraudulent practices. As long as we work hard with one heart, press forward with an exploratory spirit, and do solid work, we certainly will achieve new successes in our reform and construction.

Censuring corruption has a close bearing on whether or not our reform, opening up, and socialist modernization can proceed normally, on social stability, and on the state's survival. We must strictly guard against and firmly combat corruption throughout the process of reform and opening up. All state personnel are public servants, and by no means should they act as overlords sitting on the people's backs. They must serve the people wholeheartedly, be impartial and honest, and absolutely by no means should they use the power given by the people to seek personal interests or the interests of a small group of people. The act of "using power for personal interests" runs counter to the fundamental requirements set for communists and state personnel, and this corrupt phenomenon is extremely harmful. We must persist in fighting corruption on a long-term basis, and we must count on supervision and support from all social quarters. We should firmly intensify the construction of administrative ethics, beginning with our institutions. The most fundamental requirement is to establish a legal system. We must count on legislation, strict law enforcement, and heightening the sense of law of state personnel.

Prior to the founding of the republic, Comrade Mao Zedong, when answering a patriotic democrat's question on whether the people's government could jump out from the historical rise-and-fall cycle, said: We have found a new way to jump out from this cycle—this is through democracy, under which everybody has the responsibility to supervise the government. Today, at this important time of deepening reform, restudying this incisive observation of Comrade Mao Zedong today still has profound educational significance. Only by closely relying on the people, reflecting their views and requests, making their wishes come true, accepting their supervision, upholding what is right and correcting what is wrong can our people's democratic dictatorship become even more consolidated and can our country become

more prosperous. During the new historical period of China's socialist construction, Comrade Deng Xiaoping also pointed out: "For the sake of achieving the four modernizations, we must foster socialist democracy and strengthen the socialist legal system." We must continue to strengthen the socialist legal system and make sure it is institutionalized and codified into law. A basic political system of China, the people's congress system is the best organizational form which the people can use to manage the state as its own master. We must firmly uphold and improve this system. This year is the third year of the current Eighth NPC term, and a year of crucial importance for implementing the "Eighth NPC Standing Committee Legislative Plan." There will be many legislative assignments to be accomplished this year. We must continue to speed up the legislative process and improve the quality of legislation. We should continue to give top priority to economic legislation and make sure that a framework of the legal system for China's socialist market economy will basically take shape before the current NPC term expires. While intensifying the legislation, people's congresses at all levels and their standing committees must earnestly improve their supervision. They must intensify their supervision over law enforcement; intensify their supervision over the operations of administrative, judicial, and procuratorial organs; promote the implementation of all decisions and major plans of the state; and safeguard the authority of the law. Great efforts must be made to correct such phenomena as bypassing the law, failing to enforce the law strictly, and failing to investigate lawless conduct; and even the phenomena of substituting the law with verbal orders, suppressing the law by power, and bending the law for personal gains. We must supervise the relevant departments to make sure they continue to tighten the comprehensive management of public security. We should energetically intensify the propagation and education of the legal system to heighten the people's concept of law. Leading cadres at all levels must earnestly study and master legal knowledge in order to become more conscious and capable of managing state and social affairs according to the law. Deputies to people's congresses should give full scope to their roles in building stronger people's congresses and their standing committees.

Fellow deputies! Our missions are formidable but glorious. I hope that, after you have returned to your respective posts, you will earnestly discharge your responsibilities, set examples in abiding by the Constitution and other laws, maintain the closest ties with the masses, observe the people's conditions, reflect their views, actively publicize all the resolutions adopted at this meeting and take the initiative in implementing them, and work hard with people of all nationalities in the country in accomplishing our historical missions.

Fellow deputies! Our country is at the crucial juncture of reform, opening up and modernization. Our objective is to build a strong, affluent, democratic, and civilized socialist modern country. Guided by Comrade Deng

Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, and led by the party Central Committee with Comrade Jiang Zemin as the core, let us all work hard with one heart and one goal to win even greater victories in our socialist modernization cause!

#### Beijing TV Carries Li Peng News Conference

OW1803155495 Beijing Central Television Program  
One Network in Mandarin 1130 GMT 18 Mar 95

[Report over video on news conference by Premier Li Peng with foreign and domestic correspondents and an unidentified moderator in Beijing; from the "Special News on the Third Session of the National People's Congress" program—recorded]

[FBIS Translated Text] [Video begins with inscription which says "Premier Li Peng and the vice premiers meet Chinese and foreign reporters" and then cuts to a scene of a news conference room, showing the conference moderator, Premier Li Peng, and the six vice premiers, Zhu Rongji, Li Lanqing, Qian Qichen, Zou Jiahua, Wu Bangguo, and Jiang Chunyun standing in front of a few hundred Chinese and foreign correspondents]

[Moderator] The Third Session of the Eighth National People's Congress [NPC] came to a successful conclusion this afternoon. I would like to express my gratitude to all of you for your coverage of this session. Today, we are very pleased to have invited Premier Li Peng to meet with you and to speak to you. He will also answer a few questions. Attending this news conference are also the six vice premiers: Zhu Rongji, Zou Jiahua, Qian Qichen, Li Lanqing, Wu Bangguo, and Jiang Chunyun. Now, I shall invite Premier Li Peng to speak to you.

[Li Peng] Ladies and gentlemen, I am very pleased to be able to meet you here. The NPC session came to a conclusion this afternoon. The session adopted the government work report I had delivered. I believe the report adopted by the session will become a programmatic document guiding governments at all levels in 1995. We believe that the NPC session will certainly promote the fulfillment of all our tasks in 1995. During the NPC session, the deputies fully discussed the government work report and other reports or documents. While expressing their approval of these reports or documents, they also criticized the work of the government and made many suggestions regarding its work. Therefore, I feel that the meeting was one where democracy was fully practiced, and that it was a pragmatic meeting of unity and solidarity that will encourage people to go forward. The session decided to appoint two new vice premiers. One is Comrade Wu Bangguo. In the State Council, he will be in charge of industry. Another is Comrade Jiang Chunyun. In the State Council, he will be in charge of agricultural work. During the NPC session, many Chinese and foreign correspondents took part in the meeting and gave full coverage to our session. Through these reports, not only have the Chinese people become better

acquainted with and gained a better understanding of the meeting, but people from many countries in the world have gained a better understanding of the conditions in China and in the NPC session. Here I would like to express my heartfelt thanks to members of the media circles. I am now ready to answer your questions.

[Unidentified ASAHI SHIMBUN reporter] I am a reporter from the ASAHI SHIMBUN of Japan. Premier Li Peng, in your report on the work of the government, you said this year China will hold a solemn meeting to mark the 50th anniversary of the victory in the War of Resistance against Japan and the World War against Fascism. In this activity, will the Chinese Government invite foreign representatives or foreign individuals to participate? Another question is will the Chinese Government demand anything from Japan? There has been talk in Japan that Japan and China should never go to war again. What is your comment on this? Thank you.

[Li] The war of 50 years ago brought great calamity to the people of the world, especially the Chinese people. We should never forget this. By holding a solemn meeting to commemorate the 50th anniversary of the victory in the War against Fascism, we want the Chinese people, and the people of the world—including the people of Japan—to never forget the war and to work together in preventing the recurrence of such a war. On relations between China and Japan, due to the efforts of statesmen of the older generation of the two countries, who have had foresight and sagacity, as well as the efforts of the nongovernmental sector, relations between the two countries have not only improved, but have developed considerably since the war. Now the governments of China and Japan have reiterated their intention to maintain relations of friendship and cooperation. I believe this is wise. A Chinese saying goes: "Past experience, if not forgotten, is a guide for the future." We hope that the Chinese and Japanese Governments, and the people of the two countries, will remember it and work together to create the future of Sino-Japanese friendship and carry it into the 21st century.

[Unidentified Wall Street Journal reporter] I have two [figure as heard] questions. You have set a more realistic inflation rate for this year. Do you have any new measures to curb the inflation this year?

[Li] I have already made a very detailed exposition on how to curb inflation; why last year's inflation rate was comparatively high; and what measures to take this year. I would like to emphasize the following points: First, we need a good agricultural harvest. This is because last year's price increases were mainly reflected in food prices. If we gather a good agricultural harvest this year, we will be able to increase the supply of essential grain and nonstaple foods, and then commodity prices will, of course, drop sharply. Next, we adopted comparatively more price adjustment measures last year. Those measures were necessary to agricultural and industrial development and to the rationalization of price relations. In

view of the excessive price increases last year, we will not adopt any new price adjustment measures this year, and this will help keep commodity prices under control. Third, some disorder exists in commodity circulation because we are still in the process of establishing the socialist market economy, and some intermediate links in commodity circulation are seeking comparatively high profits. These are also factors causing price increases. We will pay more attention to rectifying these respects this year, and there is certain potential for success in this regard. Since the government work report has been adopted, it is the responsibility of the central government and local governments at various levels to attain the price control target set in the report. Of course, we also need the support of enterprises and institutions, as well as the support of all the people. We should make concerted efforts to attain the target. I can tell you, ladies and gentlemen, that the price index of January and February in China, which was generally stable with some decreases, had dropped to below 20 percent.

[Unidentified CNA reporter] I have a question for Premier Li Peng. The leaders on both sides of the Taiwan strait have made a great deal of effort to reduce animosity between the two sides. Is the CPC willing to hold cross-strait negotiations through existing channels and establish a system for informing each other on plans for major military movements and military exercises, so as to show the CPC's sincerity in wanting to end cross-strait hostility? On the basis of the ever-increasing cross-strait exchanges in various respects, will the CPC seriously consider a cross-strait exchange in military affairs and military personnel? Thank you.

[Li] Jiang Zemin, General Secretary of the CPC Central Committee and President of the PRC, recently put forward an eight-point proposal on cross-strait relations. His proposal has evoked a positive response from people at home and abroad. However, the Taiwan authorities so far have not yet made a comprehensive [quan mian di] official response. If we say it is necessary to show sincerity, they should first show sincerity in this respect. Of course, we are willing to hold talks on the cross-strait relations, but the precondition for the talks is that they must be held under the "one China" principle. The talks will, of course, cover such issues as termination of the cross-strait hostility, further development of cross-strait relations of economic cooperation, and establishment of three links [direct commercial, postal, and transportation links]. The precondition is one China.

[Unidentified CCTV reporter] I am a CCTV reporter. China is a large agricultural country. What measures will the government adopt to ensure a new and faster development of our agriculture?

[Li] I feel that the CCTV reporter's question has touched on the vital point. This is truly an issue the entire nation is concerned about. I have spoken on the 10-point measures on how to strengthen agriculture in my report, which has been approved by the NPC. Therefore, the important task is to implement them.

Here, I would like to again stress a few points. First, we must uphold and perfect various existing effective measures for rural areas. Meanwhile, we must further deepen reform. The objective is to arouse the enthusiasm of the vast number of peasants in production. Second, governments at all levels must truly attach importance to agriculture, which must be reflected in increased agricultural investments. Third, we must vigorously promote applicable agricultural technology to increase per-unit yield. China has succeeded in feeding nearly 22 percent of the world's population with 7 percent of the world's farmlands. We can say we have achieved a certain success in this respect. However, as China's population still continues to increase, we still need to feed more people. Farmland areas are limited, what must we do? We must increase the per-unit yield of existing medium- and low-yield farmlands. This can only be accomplished by relying on progress in agricultural technology.

[Moderator] Today's news conference has now ended. Thank you.

### Reaction to Premier Li Peng's News Conference

#### Newspaper Dissatisfied

HK1903072595 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 19 Mar 95 p 7

[By Jasper Becker in Beijing]

[FBIS Transcribed Text] Chinese Premier Li Peng does not care for the press—and the feeling is probably mutual. It is a situation which anywhere else would make the only formal press conference he holds each year at the close of the National People's Congress (NPC) an entertaining spectacle. This is almost the only chance journalists, foreign and domestic, have to question the prime minister of the world's most populous country live on national television.

And for Mr Li this is his best chance to court public popularity and repair his image as a cold and wooden leader of a people's republic. After all, he cannot have forgotten that he was once condemned as the "butcher of Beijing" for sending tanks to crush the Tiananmen Square democracy protests nearly six years ago. And China is supposed to be in the midst of leadership struggle.

Mr Li chose to do nothing of the kind yesterday. On the dot of 4.30 pm he entered a banquet room in the Great Hall of the People, walked along a red carpet and stood before the sort of wooden lectern familiar from White House press conferences. Exactly half an hour later he left, having responded to only four questions. Mr Li avoided answering a US journalist's question on why one third of NPC delegates failed to vote for his chosen vice-premier, Jiang Chunyun. Nor did he tell a Japanese correspondent whether world leaders would be invited to attend the celebrations marking the 50th anniversary of

Japan's defeat. And a Taiwanese journalist who inquired about military contacts with Taipei was fobbed off with a bland statement.

Emotion only entered his voice when a Chinese journalist asked about agriculture. The urgent need to boost grain production is a topic clearly dear to Mr Li's heart, but he said nothing that was not already well known. Mr Li demonstrated that he was not completely bereft of humour when he smiled understandingly at the young questioner who had clearly asked too many provincial governors the same question and referred to China as a big province.

The rest of his cabinet stood silently throughout the whole performance, lined up alongside him. The two new vice-premiers were introduced; Jiang Chunyun, a tubby man in a sober suit, remained expressionless throughout. Mr Li has been premier for eight years and has two more to go. He would dearly like to dispense with this annual ordeal, if not the press altogether. The most interesting thing about this year's NPC was the large number of votes cast against the two candidates but you could not read this in the domestic media. The public, it seems, is best kept in the dark about what Mr Li termed "this year's fully democratic meeting".

When these press conferences were introduced in the 1980s under Zhao Ziyang, they were lively events that sometimes lasted more than one hour. Now the perfunctory nature of the event is emphasised by the fact the leadership no longer sit down at a table but remain standing. Chinese who watched the performance must ask themselves how Mr Li rose to the top if he behaves the same way at party meetings or with foreign leaders. Neither the masses nor Mr Li have probably forgotten the extraordinary drama which took place during the democracy protests. The premier was humiliated live on national television at a tempestuous confrontation with student leaders such as Wuer Kaixi. He was reduced to speechless rage by the audacity of the students who had dared to challenge him.

Mr Li has clearly made up his mind never again to be put in a position where he might have to leave a prepared script. On his travels abroad he has made every effort to avoid the press if there was any risk of spontaneity. He is now getting closer to achieving this goal at home too.

#### Editorial Says Li's Afraid of Press

HK2003063895 Hong Kong EASTERN EXPRESS in English 20 Mar 95 p 14

[Editorial: "The Pressing Problem of Li Peng"]

[FBIS Transcribed Text] Why is the Chinese Premier, Li Peng, so afraid of the foreign press? While most leaders of the almost half-century-old Communist dynasty are becoming more accustomed to frequent contacts with the media, Li remains dogged in his self-imposed isolation. Even the party General Secretary, Jiang Zemin, a bit of a goof when he goes abroad, makes an effort to meet the press.

Li's press conference ending the lively two-week session of the National People's Congress on Saturday was about as inspiring as a high school graduation ceremony. Surrounded by his cabinet, the Premier trundled to a standing lectern in the Great Hall of the People, answered four pre-arranged questions and was back in his car within 30 minutes. No one expects Li to play the saxophone on MTV, but the perfunctory nature of the briefing surprised even the most jaded Beijing correspondents. Media minimalism seemed to have reached a fine art.

Li's reputation as the leader who ordered tanks into Tiananmen Square in 1989 is usually trotted out to explain his shyness. But countless others in the Chinese leadership, including Jiang, have come forward in support of moves to talk to the foreign press.

Li's one attempt to communicate in Germany last summer was met with a rousing series of protests that threw the trip into chaos. But nothing of the sort could have happened in Beijing, and still Li was reticent to the point of impoliteness.

A water power engineer, Li does not exactly have the skills of a parliamentary veteran. But nobody rises to power in China without the gift of the gab and the Premier could as well satisfy critics with the long-winded, rhetorical replies that fill the pages of the mainland press. Instead he remains silent.

The reasons probably have more to do with his clammy personality and the dormant state of Chinese politics than with any fears about embarrassing questions. Li does not like to meet the press, and does not need to. But in persisting with his standoffish attitude, the Premier is increasingly out of step with the rest of China's leaders—on whom the influence of the Hong Kong and Taiwan media should not be underestimated. All provincial governments and central government departments subscribe to at least a dozen daily newspapers from the two places.

The Sichuan Governor, Xiao Yang, suddenly launched into an appraisal last week of the strong and weak points of each leading newspaper in Hong Kong. The effect of this is two-pronged. It gives these leaders some idea of what is going on in the country they are supposed to be helping to rule. And it shakes up their idea of the media, challenging the Communist notion that it is a tool. The Dalian mayor, Bo Xilai, finding himself suddenly mobbed by the direct Hong Kong press in the Great Hall of the People on Friday, burst out: "I wish I had a press like you guys in Dalian. Nobody ever makes me answer hard questions!" It is not a coincidence that Xiao and Bo agreed to set up hurriedly arranged meetings with the Hong Kong press days later. The new Shanghai mayor, Xu Kuangdi, also distinguished himself by replying to Hong Kong and Taiwan media questions while he was supposed to be addressing his city's delegation to the NPC.

Compared with the increasingly approachable leaders taking over China's cities and provinces, Li's 30 painless minutes at the standing lectern appear even more odd. For the outside world, the fact that the government leader of China is a hermit with the press matters little. Information flows through manifold channels in the 1990s and all the might of the State Council cannot change that. For China, however, the effects are immeasurably damaging. The man who can dash off to Copenhagen in the middle of the NPC to hold forth on Beijing's view about how the United Nations should be run is unwilling to be cross-examined in return. Li carries no weight in the international community for the reason that he has virtually no presence in the eyes of the world's people. The Singapore patriarch Lee Kuan Yew, not a liberal, is at least aware that without the media his views would carry little weight.

China must realize that countless reports from the official New China News Agency (Xinhua) and long-winded speeches at the UN will not promote its agenda even a fraction as much as would more contact between its government leader and the foreign press. Mr Li, what's your comment?

#### **NPC Closes After Completing Scheduled Agenda**

*OW1803153395 Beijing XINHUA Domestic Service in Chinese 1201 GMT 18 Mar 95*

[FBIS Translated Excerpt] After completing the scheduled agenda, the Third Session of the Eighth National People's Congress [NPC], which lasted for 14 days, closed at the Great Hall of the People this afternoon.

The session called on people of all nationalities in China to closely unite; practice plain living; wage an arduous struggle; rouse themselves for vigorous efforts to make the country prosperous with one heart and one mind; keep forging ahead in a pioneering spirit; and strive for greater successes in reform, opening up, and socialist modernization under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core.

A total of 2,678 deputies attended today's meeting. Qiao Shi, executive chairman of both the session and its presidium, presided over the meeting.

Among those who acted as executive chairmen of today's meeting were Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Li Ximing, Wang Bingqian, Pagbalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, Li Peiyao, Wu Jieping, and Cao Zhi, executive chairmen of the presidium. They were seated on the front row of the rostrum.

Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and Rong Yiren were seated on the rostrum.

During the NPC session, deputies examined the government work report and members of the National Committee of the Chinese People's Political Consultative

Conference [CPPCC] discussed the report. The report was amended in 16 major aspects on the basis of the opinions of deputies and members. Premier Li Peng briefed the presidium of the session on amendments to the government work report.

The meeting decided by vote to approve the report. A resolution adopted by the meeting on the government work report pointed out that its summary of last year's work is realistic, that its analyses of the difficulties and problems existing at present are objective, and that the tasks it sets for this year can be fulfilled through efforts.

The meeting adopted by vote a resolution on the implementation of the 1994 plan for national economic and social development and on the 1995 plan for national economic and social development. The resolution pointed out, while carrying out the plan, it is necessary to practically implement an appropriately tight financial and monetary policy, bring the scale of investment in fixed assets and the excessively rapid growth of consumption fund under strict control, strive to increase financial revenue, bring expenditure under strict control according to budget, bring the scale of loans and the amount of paper money issued under control, ensure that there is a marked decrease in the magnitude of price hikes from that of last year, and strive not to exceed the target of planned regulation and control.

The meeting also adopted by vote a resolution on the implementation of the state budget for 1994 and on the central and local budgets for 1995. The resolution pointed out the session required governments at all levels to strictly enforce the law on budget, maintain the strict implementation of the central and local budgets, and strengthen restrictions on the budget. While implementing their budgets, they are required to practically implement an appropriately tight financial policy, strive to broaden sources of income and reduce expenditure and to increase income and cut down expenses, exercise strict control over taxation in accordance with the law, strengthen control over tax collection and revenue, collect all the taxes that ought to be collected in accordance with the law, and strive for a comparatively great increase in national financial revenue.

The meeting put to vote and adopted the Education Law and the Chinese People's Bank Law. [passage omitted]

The meeting put to vote and adopted a resolution to approve the work reports of the NPC Standing Committee. [passage omitted]

The meeting put to vote and adopted separate resolutions on the Supreme People's Court and the Supreme People's Procuratorate.

After finishing all items on the agenda, warm applause broke out in the conference hall.

Qiao Shi then delivered a speech. [passage omitted]

The meeting ended amid the solemn music of the national anthem.

Also seated on the rostrum were Ding Guangen, Li Lanqing, Li Tieying, Wu Bangguo, Zou Jiahua, Chen Xitong, Jiang Chunyun, Qian Qichen, Huang Ju, Wei Jianxing, Xie Fei, Wen Jiabao, Zhang Zhen, Ren Jianxin, Chi Haotian, Song Jian, Li Guixian, Ismail Amat, Peng Peiyun, Luo Gan, Zhang Siqing, Wu Xueqian, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigme, Seypidin Aze, Hong Xuezhi, Qian Weichang, Hu Sheng, Qian Zhengying, Sun Fuling, Ma Wanqi, Zhu Guangya and Wan Guoquan.

Present as nonvoting delegates at today's closing meeting were responsible persons of central party, government and Army leading organs, democratic parties, and mass organizations.

Foreign envoys attended the meeting as observers.

### More on Closing

OW1803101495 Beijing XINHUA in English 1001  
GMT 18 Mar 95

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—The 14-day annual session of the Eighth National People's Congress (NPC) closed here today after adopting a number of resolutions.

At today's plenary meeting, the 2,678 NPC deputies adopted three resolutions to approve the government work report delivered by Premier Li Peng, the report on the implementation of the 1994 plan for national economic and social development and the 1995 plan for economic and social development, and the report on the implementation of the state budget for 1994 and on the central and local budgets for 1995.

The resolution on the government work report says that the report is realistic in reviewing the government work in the past year and objective in analyzing the current difficulties and problems.

It adds that the tasks set for 1995 in the report can be fulfilled through efforts.

Sixteen major changes have been made in the content of the government work report.

The resolution on the 1995 plan for economic and social development asks the government to strictly implement the moderately tight financial and monetary policies, and strictly control expenditures in accordance with the budget, as well as the loan scale and the issue of currency, in order to achieve a marked drop in the inflation rate this year over last year.

The resolution on the budget says that the budget for this year should be implemented strictly in line with the budget law to maintain the authority of the budgets at various levels.

At today's meeting, the deputies also adopted three resolutions to approve the work reports of the NPC Standing Committee, the Supreme People's Court and the Supreme People's Procuratorate.

They also adopted two laws: China's first Education Law and the Central Bank Law. The Education Law will come into force on September 1, 1995 and the Law on the People's Bank of China became effective as of today.

Today's meeting was presided over by NPC Standing Committee Chairman Qiao Shi. Attending were top Chinese leaders Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao and Rong Yiren.

Addressing the meeting, Qiao Shi said the deputies have put forward proposals on various aspects of work during the annual session.

Some of the proposals have been included in various reports, resolutions and laws, Qiao said, adding that others will be further studied by relevant departments.

He urged government departments and staff members to care about and rely on the people, and take effective measures to solve the problems that have cropped up.

"We must speak the truth and do practical things. We should never indulge in formalism and exaggeration," he said.

He noted that as servants of the people, all government workers must serve the people wholeheartedly, be fair and honest, and should never abuse their power granted by the people for personal gain or in the interest of small groups.

Qiao called on the deputies to perform their duties earnestly. Strictly observe the constitution and laws, maintain close ties with the people and reflect popular feelings.

#### **RENMIN RIBAO Editorial on NPC, CPPCC Closing**

*OW1903064595 Beijing XINHUA Domestic Service in Chinese 1506 GMT 18 Mar 95*

[RENMIN RIBAO 19 March editorial: "We Should Take Into Account the Overall Situation and Forge Ahead in a Down-to-Earth Manner—Warmly Congratulating the Closing of the Third Session of the Eighth National People's Congress and the Third Session of the Eighth Chinese People's Political Consultative Conference National Committee"]

[FBIS Translated Text] Beijing, 18 Mar (XINHUA)—The Third Session of the Eighth National People's Congress [NPC] and the Third Session of the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee have triumphantly closed in succession. We express warm congratulations to the complete success of these two sessions.

This year's sessions were held at a critical moment in the development of China's reforms, opening to the outside world, and socialist modernization. NPC deputies and CPPCC members attending the sessions deliberated and discussed the Government Work Report delivered by Premier Li Peng and other proposals with a serious, responsible attitude. They held that the report makes a sober and objective analysis and assessment of the situation and presents a well-considered and realistic plan for upcoming work and that it embodies the ideological line of emancipating the mind and seeking truth from facts and reflects a strong sense of responsibility to the state and the people. The prominent characteristics of these two sessions are their prevailing realistic and constructive spirits. In the first place, their topics for discussion were extremely focused. All major issues of the national economy and the people's livelihood of concern to the masses were discussed and decided on by the deputies and members. Second, in their speeches, proposals, and motions, the deputies and members did not shy away from difficulties and problems but presented frank admonitions and good and very constructive suggestions with a strong sense of political responsibility, displaying an increasingly higher standard in their participation in the administration and discussion of state affairs. The two sessions achieved their set goals and reflected the primary theme of democracy, unity, seeking truth, pragmatism, and forging ahead in a pioneering spirit. They are bound to have a positive impact on promoting China's reform and construction.

One of the important achievements of the two sessions was its comprehensive, accurate analysis of the situation to arrive at unity in thinking and understanding. The deputies and members unanimously agreed that it is necessary to observe the situation in terms of dominant trends and developments. Last year, we achieved breakthroughs in many important areas of our economic structural reform. The national economy maintained strong momentum for sustained, rapid, and healthy development; the overall national strength and the people's living standards grew stronger and higher; and undertakings in every field thrived. In its vast divine land, the country enjoys political stability, economic growth, and unity among all nationalities, and the people all aspire to better themselves. China's development today not only makes for a brilliant page in the history of the Chinese nation but also attracts people's attention within the larger perspective of the contemporary world's economic development. Of course, we still face a number of new problems and challenges, and there are indeed experiences and lessons in our work that warrant evaluations and learning from. We must not treat them lightly, even less should we become arrogant or complacent. These conclusions comprise the consensus achieved at the two sessions. Practice has demonstrated that only by achieving consensus can we increase understanding and unity, make concerted efforts with one heart and one mind, support each other, and more successfully accomplish the overall task of the entire

party and nation—"seize the opportunity, deepen reform, open up wider, promote development, and maintain stability."

The year 1995 is the last year in the Eighth Five-Year Plan and an important one in China's economic and social development. To smoothly accomplish the goal of initially establishing a socialist market economic structure and achieving a relatively comfortable standard of living by the end of this century, the time is pressing, and the task is formidable. This year's work and how it is carried out are crucial to the future. The deliberation and consultation carried out by deputies and members in the two sessions have made the goals of this year's work clearer, the tasks more specific, the focus more prominent, and the measures more effective. Arguably, plans made by the central authorities for this year's work in various fields reflect a long-term perspective, overall planning, all-round promotion, and coordinated development. At the same time, they give prominence to tackling the crucial links and primary contradictions between reform and construction. On the one hand, they try to maintain the stability and continuity of various policies, and on the other hand, they incorporate new measures to deal with new problems and contradictions surfacing in the course of reform and construction. The plans are well-considered, realistic, and feasible, and they can be completed through hard work.

To comprehensively accomplish the goal of our struggle decided at the two sessions after their closing, the key is to further strengthen leadership and make vigorous efforts to carry out our work. We must promote in a big way the workstyle of seeking truth, pragmatism, and stressing practical results. We must make sure that awareness, command, measures, inspection, and supervision are where they are needed. We must strengthen our sense of taking the overall situation into consideration and our sense of discipline to ensure that the policies and directives are smoothly implemented and the Central Committee's authority is conscientiously safeguarded. Bureaucratism, formalism, fraud, and proneness to boasting and exaggeration, which are extremely harmful and deeply resented by the masses, must be firmly opposed. Prominent contradictions, problems, and flash-point issues in economic and social development must be resolved appropriately in light of the actual conditions in localities and departments. We must uphold the policy of grasping two links at the same time, attaching equal importance to both. We must forge close ties with the masses, observe and find out the people's wishes and will, pay attention to work methods, handle well various contradictions among the people, and mobilize the initiative of all quarters to the maximum to ensure that our reform and construction advance in a social environment of unity, harmony, understanding, and trust.

The complete success of this year's sessions has once again proved that as China's fundamental [gen ben 2704 2609] political system and basic [ji ben 1015 2609]

political system, the people's congress system and the system of multiparty cooperation and political consultation under the leadership of the Communist Party possess strong vitality and can play a tremendous role. In recent years, to keep up with the development of a socialist market economy and meet the needs of modernization, the NPC and its Standing Committee have accelerated their legislative work, especially the process of economic legislation. They have made splendid achievements in this area. At this session, the NPC also approved the Law of Education and the Law of the People's Bank of China. While enhancing legislation, the NPC has also strengthened its supervisory work, especially carrying out inspection and supervision over law enforcement. These important components of our endeavor to build democracy and the legal system in the country have had a notable positive impact on reform and construction. Through active exploration and summarization of their experience, CPPCC organizations at all levels have scored outstanding achievements in political consultation, democratic supervision, and participation in the administration and discussion of state affairs, and they have made progress in standardizing and institutionalizing their practices. Each year witnesses new changes, progress, and atmosphere in NPC and CPPCC work. Bringing into full play the role of the people's congresses and the CPPCC at various levels is of major and far-reaching significance to safeguarding national unity and unification and the country's lasting peace and stability, to promoting economic prosperity and social development, to accelerating the building of socialist democracy and the socialist legal system, and to promoting the great cause of the motherland's peaceful reunification.

Let us rally more closely around the party Central Committee with Comrade Jiang Zemin as the core, use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide; implement the guiding ideology of "achieving unity in thinking, putting reform at the center of all our undertakings [zong lan quan ju 4920 2385 0356 1444], strengthening coordination, and working in a down-to-earth manner"; take into account the overall situation; and forge ahead in a down-to-earth manner to write a new chapter of reform and construction.

#### Reportage on NPC Developments Before Closing

##### NPC Deputies Call on Peng Zhen, Bo Yibo

OW1903105795 Beijing XINHUA Domestic Service in Chinese 1304 GMT 18 Mar 95

["Follow with Interest Shanxi's Development and Unreservedly Speak Words From the Bottom of One's Heart—An On-the-Spot Report of Participation by Leading Comrades Jou Jiahua, Ren Jianxin, Chen Muhua, and Chen Junsheng in Shanxi delegation's discussions (a special transmission for SHANXI

RIBAO)"—XINHUA headline; by XINHUA reporters Chi Maohua (3069 5399 5363) and Li Pei (2621 0160)]

[FBIS Translated Excerpt] [passage omitted] **Peng Zhen: Your Taiyang [Sun] Road has been well built**

Deputies from Shanxi, including Hu Fuguo, Lu Gongxun, Zheng Shekui, Zhang Bangying, Li Ligong, Wang Tingdong, who were attending the Third Session of the National People's Congress [NPC], and Sun Wensheng and Guo Yuhuai, who were attending the "two sessions" as observers, arrived at Peng Zhen's residence on the afternoon of 15 March to call on the veteran comrade who enjoys high prestige and commands universal respect.

Willow trees in the yard have begun to sprout new buds following the spring rains. Comrade Peng Zhen, full of vigor [jing shen bao man 4737 4377 7394 3341] and smiling broadly, received the home-town deputies in the drawing room. Seeing the home-town deputies, the 92-year-old veteran said again and again: "Comrades, how are you? Thanks for coming to see me. Thanks for the concern shown me by the people of my home town."

Hu Fuguo, secretary of the Shanxi provincial party committee, briefed Comrade Peng Zhen, saying: Shanxi is building the Taiyang expressway and a project to divert water from the Huang He. Although the province has a relatively weak foundation, the people at the top and bottom throughout the whole province are working hard, and this will benefit its people.

Comrade Peng Zhen: "Your suggestion on building the country with diligence and thrift is excellent. We should apply diligence and thrift in doing everything." Hu Fuguo continued: "This is what you told us last year. You want us to carry forward the glorious traditions of the old revolutionary base area. Therefore, we will conscientiously carry forward the revolutionary traditions and work hard."

Comrade Peng Zhen said happily: "Construction of Shanxi's expressway has been done well." Hu Fuguo said: "The funds for the construction of this expressway came from us cadres and the masses. Each provincial-level cadre donated 5,000 yuan. We don't want to let the peasants spend their money on this project, but some of them have donated money to support its construction." Comrade Peng Zhen continued: "This a project of the 30 million people of Shanxi." Hu Fuguo said: "Our Taiyang road will be completed next year. Then, we will invite you to come home and have a look."

Comrade Peng Zhen said happily: "After the road problem is solved, after the water problem is solved, and after everybody is working hard, it will still be necessary to be diligent and thrifty in doing everything." He then inquired about the project to divert water from the Huang He. Comrade Peng Zhen said earnestly: "Shanxi's party members have fine traditions, and Shanxi is an old base of the Chinese revolution. We

should continue carrying forward the spirit of building the country with diligence and thrift and do the work in Shanxi well." [passage omitted]

**Bo Yibo: Being diligent and thrifty is the work-style of the people of Shanxi**

In March the spring sun fills the air with warmth.

There is spring in the air as the trees and flowers in the yard of Zhongnanhai are budding.

On the afternoon of 15 March, the 21 Shanxi deputies attending the Third Session of the Eighth NPC called on Comrade Bo Yibo, a veteran who enjoys high prestige and commands universal respect. [passage omitted]

Li Ligong said to Bo Yibo: "We all want to come and see you. We are very happy to see that you are in good spirits and are very healthy."

Wang Tingdong said: "I am very pleased to see that you are very healthy." [passage omitted]

Bo Yibo said: First, I want to thank you all for coming to see me. I have also been thinking of all of you. I listen to the broadcasts and read newspapers regularly. The session has been a success. Comrade Mao Zedong used to say that it is necessary to apply diligence and thrift in supporting one's family, in building the country, and in doing everything. All of you should do your work in line with this spirit. When I was studying at home in my younger days, I came upon a song. One of its verses reads "Being diligent and thrifty is the work style of the people of Shanxi." I think we should be diligent and thrifty. Now, Shanxi has been doing well under the leadership of Comrade Fuguo and others. Finally, I want to thank you. Every time you have come to Beijing, you have come to visit me. Thank you. [passage omitted]

#### **Decree Appoints Wu, Jiang**

OW1703231395 Beijing XINHUA Domestic Service in Chinese 0342 GMT 17 Mar 95

[FBIS Translated Text] Beijing, 17 Mar (XINHUA)—Decree No. 44 of the President of the People's Republic of China:

In accordance with the decision adopted at the Third Session of the Eighth National People's Congress of the People's Republic of China, Wu Bangguo and Jiang Chunyun are appointed vice premiers of the State Council.

[Signed] President Jiang Zemin

[Dated] 17 March 1995

#### **New Vice Premiers Interviewed**

OW1803040895 Beijing XINHUA Domestic Service in Chinese 1311 GMT 17 Mar 95

["Special Feature" by reporters He Ping (0149 1627) and Zhou Zongmin (0719 1350 2404): "Do the Best for the People—Interviews With Two Vice Premiers on Their Taking Office"]

[FBIS Translated Text] Beijing, 17 Mar (XINHUA)—This morning, following the solemn votes cast by 2,757 National People's Congress [NPC] delegates, the Third Session of the Eighth National People's Congress decided to appoint Wu Bangguo and Jiang Chunyun as vice premiers of the State Council.

The Third Session of the Eighth NPC held its fifth meeting at the Great Hall of the People at 0900 [0100 GMT] today. First on the agenda was deciding on candidates for vice premier of the State Council. When Tian Jiyun, who presided over the session and was the executive chairman of the presidium and executive chairman of the session, asked the delegates to press the buttons on their voting machines to make their decisions, the giant electronic score boards on both sides of the rostrum quickly indicated the voting situation. At 0915 [0115 GMT], Tian Jiyun announced voting results. At that moment, warm applause burst out in the Ten-Thousand People Hall of the Great Hall of the People.

Amid the blinding camera flash lights and a mound of microphones thrust before them, Wu Bangguo and Jiang Chunyun spoke to reporters from a rostrum about their views and plans following their appointments as vice premier.

"Thank you for the trust shown in me by NPC delegates and the people of the nation." Wu Bangguo, dressed in a gray western suit, said: "After I was appointed vice premier, I set the following demands on myself: Do not be lazy, crafty, nor seek personal gains. I will do my best to serve the people, the grass roots, and all provinces and municipalities."

Jiang Chunyun, clad in a dark western suit, and seated beside Wu Bangguo, told reporters in his Shandong accent that, after he takes up the post of vice premier, he will bend over backwards, work really hard, and do well in his job with all his heart and mind. Wu Bangguo: Press Forward in The Face of Difficulties; He Is Full of

#### Confidence About State-Owned Enterprises

Wu Bangguo worked for many years in industrial departments, therefore, he is familiar with industrial management and production. When touching on the reform of state-owned enterprises in the future, Wu Bangguo noted that much space had been devoted to this issue in Premier Li Peng's Government Work Report delivered during the current NPC session, and that delegates had also advanced many good suggestions. Wu Bangguo said: At the Fourth Plenary Session of the 14th CPC Central Committee General Secretary Jiang Zemin stressed the need to concentrate efforts this year on the reform of state-owned enterprises, by doing a good job in separating government functions from those of enterprises; in enterprises' internal operating management; and in supplementary reform of the social security system. He said: I have confidence in rejuvenating state-owned large and medium-sized enterprises.

Wu Bangguo said various economic sectors have all made great development since China adopted the policy of reform and opening up 16 years ago. However, state-owned enterprises have always been the main body of China's national economy. They also have many advantages—their overall economic efficiency index is 9.6 percent higher than the national economic efficiency index and labor production rate is higher by over one-third; and, a number of state-owned enterprises with great vitality have emerged, especially following more than a decade of economic system reform. He said: There is every reason to have full confidence in state-owned enterprises. The public-owned economy can definitely converge organically with the market economy.

Wu Bangguo said the main problems that now exist in state-owned enterprises are: First, their mechanisms are inflexible; second, their economic efficiency is not high; third, their historical burdens are too heavy. He said: This has been shaped by history, and is reflected sharply in the course of changing track from a planned economic system to a market economic system, and cannot be solved overnight. Therefore, the CPC Central Committee has asked us to launch several campaigns. If the problems cannot be solved in one or two years, then we will take three to five years to solve them. My view is that to do a good job in state-owned enterprises, it is not only necessary to press forward in the face of difficulties but also to be fully aware of the arduousness and long-term nature of the task. This year, the State Council has made overall arrangements for doing a good job in state-owned enterprises. Broadly speaking, while striving to do a good job in transforming enterprises' operating mechanisms, enhancing management, establishing a social security system, and running enterprises at large well, we need to concentrate efforts on doing the 100-enterprise-pilot project well and to strive for breakthroughs this year.

Wu Bangguo expressed the belief that great promise is in store for state-owned enterprises as long as they follow Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, follow the leadership of the CPC Central Committee and State Council, take into consideration local conditions, dare to plunge into practice, and make active explorations.

#### Jiang Chunyun: Bend Over Backwards, Work Really Hard, and Enhance the Status of Agriculture as the Foundation of the National Economy in a Down-to-Earth Manner

Jiang Chunyun, who has long been involved in the leadership of the major agricultural province of Shandong, is quite familiar with agricultural management and production. When replying to a reporter's question on how to enhance rural work in the future, Jiang Chunyun said: Doing a good job in agriculture is a major task. The people of the nation are greatly concerned about this problem. How agriculture fares is a matter that affects the overall situation. He said the most important thing in doing a good job in agriculture is to genuinely implement

the policies and measures worked out by the CPC Central Committee and State Council on enhancing agriculture, and to fully mobilize the initiative of the broad mass of farmers.

Jiang Chunyun then offered some views on doing a good job in agriculture. He said it is first necessary to further unify thinking and genuinely give priority to agriculture in economic work, and to treat agriculture as our first major task. Second, it is necessary to employ every possible means to increase investment so that agriculture, a weak sector, will be further enhanced. Third, it is necessary to continue efforts to deepen rural reform and solve existing problems in the course of agricultural and rural economic development in the task of establishing a socialist market economic system. Fourth, it is necessary to enforce the plan of using science and technology to revitalize agriculture, greatly promote scientific and technological progress, increase the factor of science and technology in increased agricultural production output, and accelerate the pace of transformation from traditional to modern agriculture. Fifth, it is necessary to do a good job in agricultural capital construction, and improve agricultural production conditions and the ecological environment. Sixth, it is necessary to provide different guidance according to different areas. Different areas need to proceed from their own realities and explore paths and ways to accelerate the pace of agricultural and rural economic development. More concern should be shown and more support given to central and west China, particularly to old revolutionary areas, areas inhabited by ethnic minorities, border areas, and impoverished areas.

When touching on this year's agricultural production situation, Jiang Chunyun said that despite dry weather in north China and rainy weather in south China it is possible to strive to reap bumper harvests through hard efforts, because both the central government and local governments attach extreme importance to agriculture; and the farmers' enthusiasm has become greater and greater. He said: This year's agricultural production and rural work will surely achieve new and great development if various policies and measures formulated by the CPC Central Committee to boost the status of agriculture as the foundation of the national economy are comprehensively implemented.

#### **Biographies of Wu Bangguo, Jiang Chunyun**

*OW1803031395 Beijing XINHUA Domestic Service in Chinese 0818 GMT 17 Mar 95*

[FBIS Translated Text] Beijing, 17 Mar (XINHUA)—The following are biographical notes of Wu Bangguo and Jiang Chunyun:

Wu Bangguo, male, Han nationality, born in July 1941, native of Feidong, Anhui. Joined the CPC in April 1964 and worked as engineer from September 1967. He currently serves as deputy of the Eighth National People's Congress [NPC], member of the 14th CPC Central

Committee [CPCCC], member of the CPCCC Political Bureau and Secretariat. Studied at the Radio and Electronics Department of the Qinghua University with a major in electron tubes from 1960 to 1967. Served as worker, technician, deputy section chief, and section chief of the Shanghai No. 3 Electronic Tube Factory from 1967 to 1976. Served as deputy secretary of the CPC Committee, and then deputy director, deputy manager, and manager of the Revolutionary Committee of the Shanghai No. 3 Electronic Tube Factory from 1976 to 1978. Served as deputy manager of the Shanghai Electronic Industrial Company from 1978 to 1979. Served as deputy manager of the Shanghai Vacuum Apparatus Industrial Company from 1979 to 1981. Served as deputy secretary of the CPC Committee of the Shanghai Telecommunications Industrial Bureau from 1981 to 1983. Served as member of the Standing Committee and concurrently secretary of the Scientific and Technical Committee of the Shanghai Municipal CPC Committee from 1983 to 1985. Served as deputy secretary of the Shanghai Municipal CPC Committee from 1991-1992. Served as member of the CPCCC Political Bureau and secretary of the Shanghai Municipal CPC Committee from 1992 to 1994. Serves as member of the CPCCC Political Bureau and Secretariat, and member of the Central Financial and Economic Leading Group of the CPCCC; was alternate member of the 12th and 13th CPCCC and is member of the 14th CPCCC and CPCCC Political Bureau. Elected as member of the CPCCC Secretariat at the by-election of the Fourth Plenary Session of the 14th CPCCC; was deputy of the Seventh NPC and is deputy of the Eighth NPC.

Jiang Chunyun, male, Han nationality, born in April 1930, native of Laixi, Shandong. He joined the CPC in February 1947 and began work in July 1946. Currently serves as deputy of the Eighth NPC, member of the 14th CPCCC, CPCCC Political Bureau, and Secretariat. Studied at a training class for teachers in Laixi County, Shandong Province from 1946 to 1949. Worked as member of a land reform team in Laixi County; teacher of an elementary school in Jiangjiabo, Maren District, Laixi County; clerk of the CPC Committee of Maren District, Laixi County; and clerk, and then, secretary [mi shu 4434 2579] of the CPC Committee of Laixi County. Worked as secretary [mi shu 4434 2579] of the CPC Committee of Laixi County, and then member of the CPC Committee of Laixi County and concurrently director of the Office of the CPC Committee of Laixi County, and then responsible person of the Secretary Section of the Production and Cooperation Department of the Laiyang Prefectural CPC Committee from 1949 to 1957. Served as deputy section chief of the Qingdao Branch of the China Native Produce Export Company and then deputy section chief of the Secretary Section of the Foreign Trade Bureau of Qingdao City, Shandong Province from 1957 to 1960. Served as instructor, first-class inspector, and deputy director of the Office of the Propaganda Department of the Shandong Provincial CPC Committee from 1960 to 1966. He was honored

during the "Great Cultural Revolution" and sent to work in rural areas and "May- Seventh Cadre Schools" from 1966 to 1970. Served as responsible person of the Secretary Group of the Office of the Shandong Provincial Revolutionary Committee; member of the Center Group and concurrently chief of the Secretary Group of the Office of the Shandong Provincial Revolutionary Committee; and then deputy director and concurrently chief of the Secretary Group of the Office of the Shandong Provincial Revolutionary Committee from 1970 to 1977. Served as deputy director of the Leading Group of the Office of the Shandong Provincial CPC Committee, deputy secretary general and then secretary general of the Office of the Shandong Provincial CPC Committee from 1977-1983. He served as deputy secretary and concurrently secretary general of the Shandong Provincial CPC Committee from 1983 to 1984. He served as deputy secretary of the Shandong Provincial CPC Committee and concurrently secretary of the CPC Committee of Jinan City from 1984 to 1987. Served as deputy secretary of the Shandong Provincial CPC Committee, acting governor, and then governor of Shandong Province from 1987 to 1988. Served as secretary and concurrently president of the Party School of the Shandong Provincial CPC Committee from 1988 to 1992. Served as member of the CPCCC Political Bureau and secretary of the Shandong Provincial CPC Committee from 1992 to 1994. Serves as member of the CPCCC Political Bureau and Secretariat, member of the Central Finance and Economic Leading Group and head of the Central Rural Work Leading Group since September 1994. He was member of the 13th CPCCC and is member of the 14th CPCCC and CPCCC Political Bureau. Elected as member of the CPCCC Secretariat at the by-election of the Fourth Plenary Session of the 14th CPCCC. He was deputy of the Seventh NPC and is deputy of the Eighth NPC.

#### Henan Secretary on Enterprises

OW1703120895 Beijing XINHUA Domestic Service in Chinese 0134 GMT 12 Mar 95

[By XINHUA reporters Zhou Baohua (0719 0202 5478) and Wang Ahmin (3769 7093 2404): "Develop Enterprise Groups To Revitalize State-Owned Enterprises—An Interview With Li Changchun"]

[FBIS Translated Text] Beijing, 12 Mar (XINHUA)—"Now is the best opportunity to develop, through mergers and reorganization, a number of state-owned enterprise groups with strong enterprises serving as group leaders." This viewpoint was expressed by NPC Deputy Li Changchun during an interview with reporters.

Li Changchun, secretary of the Henan Provincial CPC Committee and chairman of the provincial People's Congress Standing Committee, pointed out: There are signs that state-owned enterprises are going separate ways: Strong, vital, and efficient enterprises are growing

stronger on the strength of their reputable names in the domestic and foreign markets, while enterprises that lack vitality and have difficulties operating are encountering mounting problems. For enterprises as a whole, this is not a bad thing. It is the inevitable result of state-owned enterprises' entrance into the market and their participation in competition, and it signals the beginning of more socialized mass production by state-owned enterprises.

As enterprises develop along separate paths, mergers and reorganization among them will inevitably emerge, he argued. He continued: For strong enterprises, a growing market makes it necessary for them to increase production factors so as to expand production and enhance their capacities. However, they are held back by the tightening macroeconomic factors. For weak enterprises, a declining market means idled production factors and difficulties in workers' lives. Thus, a bond develops between strong and weak enterprises. Bringing weak enterprises into enterprise groups with strong enterprises serving as group leaders and reorganizing the production factors will satisfy the needs of strong enterprises for production expansion and at the same time resolving the difficulties of weak enterprises.

Speaking of the merits of merger and reorganization, Li Changchun said: First, merger and reorganization will not create unemployment in large numbers, and their impact on society is minimal. Second, they can revive idled assets, thereby producing greater returns with minimum input. The development of production without new investment will help curb inflation and raise the efficiency of the entire economy. Third, they will help concentrate capital in a direction that meets the needs of mass socialized production, thereby changing the situation that for a long period, state-owned enterprises have used capital in a scattered, low-standard, and duplicated manner. In other words, the establishment of several large enterprise groups with numerous small and medium-sized enterprises serving as satellites in coordinated operations will enhance the competitiveness of all enterprises and enhance their overall qualities. Fourth, they will help change the situation that weak enterprises "wait for, rely on, and demand of" the state and will contribute to separating government administration from enterprise management and changing operating mechanisms. In short, the road of mergers and reorganization will lead to integrating enterprise restructuring, reorganization, and technological transformation in a more productive way.

The argument for enterprise mergers has been around for many years. Why have they had little success? In Li Changchun's view, it was mainly because of the lack of objective conditions in the past. In the case of individual localities, it was mainly because of the restrictions imposed by the financial and taxation system. When an enterprise in a certain locality was merged or taken over by another outside the locality, the interests of the locality would inevitably be affected. "However," Li

Changchun continued, "things are different now. With the reform of the financial and taxation system last year, enterprises now pay value-added taxes to the state while delivering income taxes to the local authorities, thereby removing the obstacles to enterprise merger and reorganization. In other words, the decisive steps taken in economic restructuring and the sharpening of market competition have gradually created the necessary conditions for merger and reorganization of enterprises. In light of this, we must take advantage of the opportunity to increase our efforts to actively promote merger and reorganization."

Li Changchun stressed: In pushing enterprise mergers and reorganization, we must seek truth from facts and carry out the work in a down-to-earth manner. In terms of approaches, the government may serve as a "match-maker," assisting enterprises in carrying out mergers and reorganization on a voluntary basis. The state and provinces shall set up asset exchange markets to bring into play the role of market in the rational distribution of resources. Where conditions permit, localities may establish state-owned assets management companies to engage in assets management and help push mergers and reorganization. At the same time, it is necessary to strengthen and perfect financial, taxation, and banking system reform to create a macroeconomic environment more conducive to merger and reorganization. It is necessary to develop intermediary organizations to provide better service for enterprises to carry out the work.

#### Ren Jianxin on Anticrime Measures

OW1703123395 Beijing XINHUA Domestic Service in Chinese 0338 GMT 13 Mar 95

[FBIS Translated Text] Beijing, 13 Mar (XINHUA)—Today, Ren Jianxin, president of the Supreme People's Court, delivered a report on the work of the court in 1994 to the Third Session of the Eighth National People's Congress [NPC]. He said: In 1994, courts across the country further stepped up the struggle against crime and severely cracked down on serious criminal activities. First trials were conducted for 482,927 criminal cases in 1994, and trials of 480,914 of these cases were concluded, 19.75 percent and 19.28 percent more than in the previous year, respectively. A total of 547,435 criminals were given sentences with legal force. Of these criminals, 208,267—38.4 percent of the total sentenced—were given sentences of prison terms of five years or more, given life sentences, or were sentenced to death (including death sentences with two years' suspension of execution). A total of 329,335 criminals were given sentences of prison terms of less than five years, were ordered to do hard labor under custody, or were put under surveillance; 7,680 were exempted from criminal punishment; and 2,153 were acquitted.

Ren Jianxin said: Last year, courts across the country, adhering to the principle of severely and swiftly punishing criminals, forcefully cracked down on all kinds of crimes that seriously jeopardized social security; a total

of 276,809 criminals who seriously compromised state and social security were given sentences with legal force. Of these criminals, 167,648, or 60.56 percent of the total sentenced, were given sentences of prison terms of five years or more, were given life sentence, or were sentenced to death (including death sentence with two years' suspension of execution).

Courts across the country continued to regard as an important task the legal prosecution of corruption, bribery, and embezzlement of public funds, and spared no efforts in trying major and important cases. First trials of 30,793 cases of economic crimes were concluded, 69.87 percent more than the year before. Trials were concluded for 9,465 cases—73.93 percent more than the year before—involving corruption, bribery, and embezzlement of public fund that involved 100,000 yuan or more. There were 347 cases involving 300,000 yuan or more in illegal funds; 72 cases involving one million to 10 million yuan; and four cases involving more than 10 million yuan. Among those sentenced, one was a cadre at the vice ministerial level, 28 were cadres at the divisional or bureau level, and 202 were cadres at the county or departmental level.

Ren Jianxin said: Over the past few years, while major measures have been taken to reform the banking, financial, taxation, foreign trade, and foreign exchange management systems, some criminals have taken the opportunity to engage in financial fraud, to rampantly evade paying taxes, to refuse paying taxes, to cheat in tax-paying, to engage in smuggling and selling smuggled goods, to make and sell counterfeit and low-quality commodities, to pirate copyrighted publications, to counterfeit bank notes, and to engage in other criminal activities. This has seriously disrupted the financial order, compromised reform and opening up, and affected social stability.

Last year, people's courts at all levels made positive efforts to crack down on crimes that seriously disrupted the economic order. They concluded trials of 12,220 cases of such economic crimes, up 32.88 percent from the previous year; and 13,634 criminals were sentenced. In view of the fact that in some localities criminal activities were widespread involving counterfeiting vouchers exclusively for added-value tax use, counterfeiting other kinds of vouchers, reselling such vouchers at a profit, issuing vouchers without any business transactions, issuing vouchers in the name of others, and theft of vouchers, the Supreme People's [words garbled], together with the Supreme People's Procuratorate, gave judicial interpretation to laws applicable for handling criminal cases involving counterfeiting, reselling, and stealing vouchers. People's courts at all levels also handed down serious sentences to criminals committing such crimes.

#### Bank Law To Stabilize Economy

HK1903052795 Beijing CHINA DAILY in English 18 Mar 95 p 4

[By Wang Xiaozhong: "Bank Law Will Stabilize Economy"]

[FBIS Transcribed Text] China is expected to enjoy more stable monetary situations in its further economic development when the country's central bank law is passed by the National People's Congress (NPC), China's top legislative body.

By legalizing the People's Bank of China's (PBC) status as the central bank, the law will make it clear that the PBC is responsible for making and implementing the country's monetary policies. This puts an end to the situation of having a central bank lacking legal authority existing in China.

As stable currency has been set up as the single monetary target, the PBC will concentrate its strength in fighting against high inflation.

The Law of the People's Republic of China on the PBC, will empower the PBC to "supervise and manage the country's financial industry."

It lays a legal foundation for the country's ongoing reform of the financial system and the setting up of a modern banking system.

"The central bank law will safeguard the country's continuing economic boom by providing a stable and orderly financial situation," says Yang Wenkai deputy director of the Legai Department of the PBC.

Yang's department has been working for 16 years drafting the law. "And only today is it possible for such a law with the achievements in the market-oriented reform," Yang says.

"The outstanding feature of the law is that while taking in experiences of central banks in Western countries and the help of the International Monetary Funds, it is drafted with full awareness of China's reality," Yang says.

Yang said the single monetary policy target show that the PBC would prefer a stable currency when the economic development urges over-expansion of money.

High inflation is now one of China's biggest economic problems. It is mostly caused by the fact that the bank prints more money to support high economic growth—ahead of monetary stabilization.

"If the PBC can hold up the money supply, then inflation can be controlled quite well," Yang says.

Under the law, besides "conventional tools," the PBC is allowed to use "other monetary policy tools defined by the State Council," mainly the quota control of bank loans.

The measure is the major, and probably the most effective, method in China's management of money supply.

However, tools like legal bank reserve ratio, basic interest rate, rediscount rate, open market operations are expected to replace it in the near future, Yang said.

He said PBC's role has been strengthened by the central bank law, which regulates that the operation of PBC "can not be interfered by any other government departments, local governments, social organizations or any individual."

"The law will be a support to us when they press us to loosen our control," says Yang.

The PBC has been squeezed for years by pressure from the central and local level over the money expansion. While ministries want to influence monetary policies, local government tend to accept only those policies they want.

The PBC can now decide whether and how to use the tools quite independently. Approvals from the State Council are only needed when changes are made to the yearly amount of money supply, interest rate and exchange rates.

The role of the PBC is also strengthened as the supervisor of the country's financial institutes.

Loosely governed financial institutions added to financial problems by lending too much.

Banks change short-term inter-bank borrowings into long term so they can help each other avert central bank's quota control.

Although no banks changed the official interest rates openly, they attach conditions to attract customers.

New financial institutions are opened without official approval.

Some local governmental departments ignore banking rules, and some even start their own banking business.

That, Yang says, strengthens the need for central banking regulations.

According to the law, banks in China are not allowed to run investment companies, trusts or invest directly in enterprises.

Though China's reality and international experience are considered while drafting the law, there are loopholes that should be closed up while implementing it.

Some even doubt whether the law can be carried out smoothly.

"The law does not conform to the market economy as well as it leaves room for administrative influence," says Liu Jinbao, director of the Bank of China's Shanghai branch.

"It still has to be seen whether the PBC can carry out its policies independently under the law," says Liu, also a deputy to the NPC.

Although not a perfect one, the law marks the beginning of a new era for China in terms of a financial system operating under a legal framework.

Based on the central bank law, a series of financial laws and regulation will come out soon, including the commercial bank law, insurance law, commercial note law, and regulations on foreign exchange—some are expected next month.

### Education Law Officially Adopted

OW1803132795 Beijing XINHUA in English 0905  
GMT 18 Mar 95

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—The first education law in Chinese history was adopted at the Third Session of the Eighth National People's Congress (NPC) here today.

The NPC deputies conducted detailed discussions on the draft law and reached common understanding in the following two aspects:

First, this is the first time for China to guarantee the priority of educational development by legal means and it is vital for the country to develop education in accordance with law.

Second, education is important to the development of the Chinese nation, and this will be more evident in the next century.

Beijing educationist Tao Xiping said, "many countries are conducting research on the strategies to face the challenges of the next century. One of the strategies is to promote education. China's education law will prepare an important legal foundation for the country to cope with challenges in the next century."

The education law stresses giving equal educational opportunities to all Chinese people.

Mei Zuyan, professor at Qinghua University, said that the increase of knowledge is like a kind of geometric progression. "It will be an immeasurable resource if all the 1.2 billion people are well educated," he said.

Some people started to advocate the importance of education in the 1940s. Although the education level has been greatly raised in the past 100 years, it is still not high for such a large populous country.

The rapid economic growth starting in the early 1980s has made it more important to promote the cause of education.

At present, China has 140 million illiterate people and more than one million school dropouts a year. And only five out of 100 young people are able to receive higher education. The enterprises and research institutes are also in need of more professionals.

Some deputies pointed out that poor education is the root cause of many social problems.

Mei Zuyan said that implementation of the education law will help narrow the education gap between the rural and urban areas.

Li Lianning, an official in charge of education, said that China has referred to education legislation of a dozen countries and adopted many of their useful education principles.

The market economy also has a bearing on the making of the law. It is stipulated that the schools have the autonomy and are allowed to use bank loans and overseas investment to develop themselves. Privately funded schools are also allowed to operate.

At present, a knowledge-building atmosphere is improving. The educational background has become an important factor for seeking better employment and appointing officials; in the rural areas, fine knowledge is considered as one way to shake off poverty; in the urban areas, vocational schools are welcomed.

Mei said that it will be as great for China to provide its 1.2 billion people with better education as with enough food. "Well-educated Chinese people will make a greater contribution to mankind," he added.

### Minister Explains Education Law

OW1703144995 Beijing XINHUA Domestic Service in Chinese 0900 GMT 11 Mar 95

[FBIS Translated Text] Beijing, 11 Mar (XINHUA)—State Council Premier Li Peng has submitted the State Council's motion to the Third Session of the Eighth National People's Congress [NPC] requesting the examination and approval of the draft education law.

The motion submitted by Premier Li Peng states: To develop education, improve the entire nation's quality, and promote socialist material and spiritual civilization, the State Education Commission formulated the draft education law on the basis of summing up practical experiences and drawing on the useful experiences of other countries after conducting in-depth investigations and study, and canvassing a wide range of opinions. After being discussed and approved by a State Council executive meeting, the draft was submitted to the NPC Standing Committee for deliberation on 5 December 1994. The 11th meeting of the Eighth NPC Standing Committee conducted a preliminary deliberation of the draft, during which Standing Committee members made many good suggestions on amendments. After the meeting, we made more amendments to the draft according to their suggestions. We now submit it for examination and approval.

During the third plenary session of the Third Session of the Eighth NPC today, Zhu Kaixuan, minister in charge of the State Education Commission, explained the 10-chapter, 84-article draft education law on behalf of the State Council.

Zhu Kaixuan said: The formulation of the education law stemmed from the urgent requirements for guaranteeing the strategic status of education as a development priority, and for promoting the healthy development of

education. Since the founding of New China, especially since the introduction of reform and opening up, the party and state have attached great importance to education, giving it a strategic status for priority development. The CPC Central Committee issued the "Decision on Educational Structural Reform" in May 1985. The CPC Central Committee and State Council formulated the "Program for China's Educational Reform and Development" in February 1993. They held a national educational work conference in June 1994, during which they further pointed out the direction of educational reform, and set educational development goals, tasks, and measures. Nine-year compulsory education is now being promoted nationwide in a planned and stage-by-stage manner. The enrollment rate for children of primary school age is 98 percent, and the proportion of primary school graduates who go on to middle school averages 80 percent. Large cities and some economically developed areas have basically universalized primary and secondary education. Along with the development of vocational education, the single-mode secondary educational structure has undergone substantial change. The illiteracy rate for young and middle-aged persons (age 15 to 45) has declined to 7 percent, and higher education has provided large numbers of senior professionals for our country's modernization drive. However, for various reasons, the strategic status of education as a development priority has yet to be given full expression in practice. Input in education is generally inadequate, the proportion of public funds for education has decreased, and school conditions are fairly poor. The existence of these problems has hampered the further development of education. Therefore, we were required to expedite the formulation of the education law to guarantee the strategic status of education as a development priority, implement relevant state measures for developing education on a priority basis, and promote the healthy development of education.

Zhu Kaixuan pointed out: The formulation of the education law stemmed from the urgent requirements for consolidating our gains in educational reform, for guiding and guaranteeing in-depth educational reform, and for instituting a new educational system and operating mechanism that is compatible with the socialist market economic system. In the 10 years or so since the introduction of reform and opening up, we have gained many useful experiences in educational reform and development. These experiences need to be confirmed and consolidated by law. Moreover, legislation is needed to standardize and guide the effort to further educational reform, to improve educational administration, to practice autonomous school administration, and to strengthen overall management. Therefore, it is imperative to formulate the education law to provide a legal basis and a legal guarantee for educational reform.

In his report on the guiding ideology for drafting the education law, Zhu Kaixuan said: The education law is an important statute closely related to socialist material and spiritual civilization. We had to formulate the

education law so that it would follow the guidance of the theory on building socialism with Chinese characteristics and the party's basic line, and fully implement the basic guidelines of the "Program for China's Educational Reform and Development," the "Decision of the CPC Central Committee on Several Issues Concerning the Establishment of a Socialist Market Economic System," and the national educational work conference. We had to formulate it so that it would guarantee the strategic status of education as a priority in national economic and social development; promote educational reform and development; help establish a modern socialist educational system with Chinese characteristics; safeguard the legitimate rights and interests of parties that are mainly concerned with education; and lay the legal foundation for gradually moving educational administration onto the path of "administering education in accordance with the law" in an all-round manner. Accordingly, the draft states: "The state shall uphold the guidance of Marxism-Leninism-Mao Zedong Thought and the theory on building socialism with Chinese characteristics, and follow the basic principles enshrined in the Constitution in developing socialist educational undertakings." It emphasizes: "Education is the basis for socialist modernization, and the state shall ensure the development of educational undertakings on a priority basis." The draft also stipulates: "In keeping with the requirements for socialist market economic development and overall social progress, the state shall promote the coordinated development of various types of education at various levels, advance educational reform, and establish and improve the system for lifelong education."

Zhu Kaixuan pointed out: As a basic education code, the education law mainly sets the basic standards for major issues of overall importance to education, such as the status of education, educational policies, basic educational principles, the basic educational system, input in education, educational conditions, the legal status of schools, the relationship between education and society, educational exchanges and cooperation with foreign countries, and legal responsibility in education. It also provides a legislative basis for formulating other educational statutes. Specific issues related to various types of education at various levels will be addressed in other educational statutes.

He said: Along with educational development, the scope of education has expanded from regular school learning to extension courses. In formulating the education law, we had to determine its scope of applicability from the "big education" viewpoint. Accordingly, the draft states: "This law must be observed when basic education, higher education, vocational education, and adult education are carried out within the borders of the People's Republic of China."

Zhu Kaixuan said: For a long time, the correct educational policies set by the party and state have played an important role in guiding our country's educational

development. People from educational circles and from all segments of society generally wish to see our country's educational policies clearly laid out and given accurate expression in the education law. People from all circles have made many excellent, constructive suggestions on how to give expression to the educational policies. In accordance with relevant constitutional provisions and the guidelines of the "Program for China's Educational Reform and Development," and following a comprehensive study of the suggestions of all quarters, the draft describes the educational policies as follows: "Education must serve socialist modernization, must be combined with productive labor, and must cultivate all-round builders and successors who are developed morally, intellectually, and physically."

Zhu Kaixuan emphasized: Our country's program of reform and opening up has entered a new development stage following the establishment and development of the socialist market economic system. The ideological and moral standards of students groomed by schools, presently and over the next 10 to 20 years, will have a direct bearing on China's outlook in the 21st century, on whether the strategic objectives of our country's socialist modernization can be achieved, and on whether the party's basic line will be upheld unswervingly for 100 years. In this new situation, we must attach great importance to strengthening and improving schools' efforts to raise moral standards. For this reason, the draft states: "The state encourages education on patriotism, collectivism, socialism, and ethnic unity."

Zhu Kaixuan also expounded on other issues pertaining to the draft education law.

#### State To Increase Education Funding

HK1803054195 Hong Kong SOUTH CHINA MORNING POST in English 18 Mar 95 p 6

[By Linda Choy in Beijing]

[FBIS Transcribed Text] Beijing has refused to make a firm commitment on education spending despite repeated appeals from legislators. In an amended copy of the education bill, delivered to the National People's Congress (NPC) yesterday, the Government insisted the state should "gradually" increase its input. This has disappointed some Hong Kong deputies, who think Beijing should pledge a relatively high percentage of the gross national product (GNP) each year to education.

It is understood the State Council has refrained from making a commitment in order to maintain flexibility. Local educationist and NPC deputy Ng Hong-man said the authorities had addressed most of their concerns. But he said the Hong Kong deputies demanded education spending be fixed at four per cent of the nation's GNP by the end of the century.

Funding for education should be raised to 15 per cent of the total government expenditure in live years' time, he said. "We do not ask them to fix it in a very strict way;

you can write it flexibly ... (the Government) should be able to show its sincerity by setting a target which is to be achieved within a certain period of time," he said. Mr Ng is also worried parents might have to bear heavy financial burdens because the authorities at the provincial and township levels are allowed to lay surcharges.

Under another change to the education bill, the Government now says students dissatisfied with teachers' decisions should launch complaints with the relevant departments instead of going directly to court—as was stipulated in the original law. Only cases which involve violation of students' human and property rights should be dealt with by the courts. The amended law holds headmasters responsible for accidents resulting from poor management, only if they knowingly neglected maintenance.

#### Jiang Meets Sichuan Group

HK2003095595 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 16 Mar 95

[FBIS Translated Text] Jiang Zemin, general secretary of the CPC Central Committee and state president, attended the plenary meeting of the Sichuan delegation of deputies [to the National People's Congress] yesterday [16 March]. He stressed: Our tasks in reform and construction are very arduous. We are confronted with quite a few contradictions and difficulties in our advance. We should strengthen party leadership and unity.

After listening to the speeches of members of the Sichuan delegation of deputies, Jiang Zemin pointed out: One important question in strengthening party leadership is that leading party organizations at all levels must grasp what is of fundamental importance in their work, that is, adhering to correct policy decisions and knowing how to select the right cadres for the right jobs. Whether this task of fundamental importance has been grasped or whether it has been properly grasped has a direct bearing on the realization and strengthening of the party's leadership.

Jiang Zemin said: Sichuan is a major grain-producer and has made great contributions in providing the state with commodity grain and other farm and sideline products. He pointed out: The key to developing agriculture lies in policy implementation. A good job should be done in implementing the various agricultural policies, implementing the building of grass-roots organizations in rural areas, and implementing the instructions and organization and service work of the higher leading departments.

When talking about how to reduce the development gap among various regions, Jiang Zemin said: The general approach to this problem is, as I see it, that 1) we should earnestly attach importance to it, 2) we should not get worried, and 3) the general trend is to gradually narrow the gap rather than widen it over the long term. In gradually narrowing the gap, we must rely on the hard efforts of cadres and the people in central and western

China to make the best use of local advantages in the spirit of self-reliance and hard work. Meanwhile, the state should provide these areas with necessary support, and the economically developed areas should actively help them.

Jiang Zemin had great concern over the issue of invigorating state-owned enterprises. He said: State-owned enterprises must be invigorated and run well and must develop new advantages. This firm principle should not be shaken. He said: At present, state-owned enterprises have difficulties but they also have advantages and potential. So long as leaders and the masses of people work together in unity and are all of one heart and one mind, it is entirely possible to run state-owned enterprises well. We must make greater efforts to go all out and see more the bright side of what we have done. Our drive can only be boosted and not deflated.

When discussing the safeguarding of social stability, Jiang Zemin said: Stability is the prerequisite for reform and development. Without stability, there is nothing to speak of. To safeguard stability, we must strengthen the building of the socialist legal system and handle various contradictions in society in accordance with the law and party policies; at the same time, we must strengthen the building socialist civilization, and make greater efforts to crack down on criminal activities and struggle against corruption. In the final analysis, we must also boost economic construction because this constitutes the material basis for social stability.

#### Jiang Critics Join Forces

HK1803054295 Hong Kong SOUTH CHINA  
MORNING POST in English 18 Mar 95 p 7

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] Forces critical of Jiang Zemin and his faction within the Chinese Communist Party are coalescing and may make a move against the President after the death of Deng Xiaoping.

Political analysts in Beijing said the relatively large number of National People's Congress (NPC) deputies who showed reservation about yesterday's promotion of Jiang Chunyun and Wu Bangguo was a sign that President Jiang's political foes might be pooling their resources. Because of the President's closeness to the two candidates, yesterday's votes were an indirect test of the former's popularity. Party whips had earlier assured President Jiang they could keep the number of negative votes or abstentions to below 10 per cent.

Analysts said the votes were also an indirect confirmation of the strength of the "opposition faction", led by NPC Chairman Qiao Shi, Vice-Chairman Tian Jiyun, and Chairman of the Chinese People's Political Consultative Conference Li Ruihuan. Talking on Thursday, Mr Tian, right-hand man of ousted party chief Zhao Ziyang, indirectly criticised the way Mr Jiang and Mr Wu were elected.

Mr Tian said deputies should have a choice of candidates, and policies should be explained in public. Yesterday, NPC members admitted they did not support the two because they doubted their ability, and that the election process was not transparent enough.

Mr Jiang, 64, was faulted for being too old. It is expected that legislators will show more teeth in "supervising" the party and Government over personnel and policy issues. There are also signs that regional cadres including those from Guangdong and Sichuan are forming a "united front" against the Shanghai and Shandong factions favoured by President Jiang.

A Guangdong source said more than 20 per cent of deputies from the province either voted against the two candidates or abstained. "When Wu Bangguo and Jiang Chunyun were inducted into the Central Committee Secretariat last September, many representatives from the provinces voiced opposition," the source said. "The NPC ballots show that Jiang Zemin has made no headway in conciliating the regional warlords." In spite of the apparent blow to his prestige yesterday, President Jiang is expected to continue efforts to consolidate his power base by expanding the Shanghai and Shandong factions.

It is understood that apart from transferring a large number of Shanghai-associated politicians to Beijing, the President has installed them in key positions in provincial and municipal administrations all over the country. Apart from civilian politicians such as Mr Jiang, the Shandong Faction is heavily represented in the People's Liberation Army.

#### Song Jian Discusses Work Report

HK2003095495 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 8 Mar 95

[FBIS Translated Text] Yesterday afternoon [8 March] State Councilor Song Jian came to the Hainan Room of the Great Hall of the People and held a discussion with the Hainan National People's Congress [NPC] deputies on Premier Li Peng's government work report. Hainan NPC deputies including Ruan Chongwu, Du Qinglin, Wang Faren, Zeng Haorong, Huang Baozhang, Wang Guangqing, and Du Bilan spoke at the discussion.

Secretary and Governor Ruan Chongqu said: As Premier Li Peng said in his government work report, Hainan's situation was good last year. [words indistinct] Because of the prices of crops, including bananas, the peasants' income increased on the whole and infrastructural construction also improved. There were increases in many industrial projects. This year's agricultural and industrial production will present a better situation than last year, with some projects being completed and put into operation. Macroeconomic control and regulatory measures will play a more important role this year. This year Hainan will see a better situation in tourism. [words indistinct]

After listening to Hainan NPC deputies' opinions, Comrade Song Jian said: I thank everyone for their high appraisal of Premier Li Peng's government work report. I am here to solicit your opinions on behalf of the State Council. I will reflect your opinions to the State Council. Song Jian added: Hainan has developed very quickly over the last few years. In particular, there have been great changes in Haikou, and its infrastructural facilities have improved. Despite all sorts of difficulties and unexpected problems in the course of building the Hainan Special Economic Zone, I believe Hainan enjoys a reputation in the country as a result of its rapid economic development, and this has not been easily earned. The whole country is concerned about Hainan's development. I firmly believe the central authorities' determination to build special economic zones will not change, their policy on special economic zones will not change, and special economic zones' role and position will not change. None of these will change in 50 years, I think. I hope everyone will make joint efforts, and that the State Council will also make efforts, but the main point is that the provincial authorities and the people throughout the province should make joint efforts to build the Hainan Special Economic Zone better.

On Hainan's continuity of construction, Song Jian pointed out: Hainan's agriculture has a great impact on the entire country. Hainan commands superiority in breeding new varieties and subtropical crops. There is a need to work out a good development plan for agriculture.

In conclusion, Song Jian pointed out the need for Hainan to engage in large agricultural projects and develop tourism. Wu Naiwen, in charge of the General Administration of Customs, talked about the state's preferential policy for special economic zone construction.

#### Henan Official on Controlling Spending

OW1703131395 Beijing XINHUA Domestic Service in Chinese 0237 GMT 9 Mar 95

[By reporter Li Haifu (2621 3189 3940)]

[FBIS Translated Text] Beijing, 9 Mar (XINHUA)—In an interview with this reporter, Fan Qinchun, deputy to the National People's Congress [NPC], said: It is necessary to use economic means to control various administrative expenses.

Henan Province noticeably accelerated its economic growth last year. Its revenues were 2.26 billion yuan more than the previous year. Thus, the situation is gratifying. However, as executive vice governor of Henan, Fan Qinchun did not feel relaxed because of the gratifying situation. He said: When compared with other provinces, Henan has a population of 90 million, and its per capita financial sources rank near the last in the country. In expenditure, we have readjusted wages, increased spending by hiring more people, raised

spending levels, and issued various subsidies as prescribed by the state. Thus, the amount of spending is very large, which has exceeded not only our ability to stand strains but the increase of our financial resources as well. Many localities still go in for ostentation and extravagance, vie with one another in attaining luxury, and engage in wasteful activities. Some telephones are installed by government organizations but used by individuals for personal purposes. Meetings are held more often, attended by more and more people, and moved to places more close to scenic spots and historical sites. Serious extravagances and waste exist.

Fan Qinchun said: We have a finite amount of financial resources. We have to use them to ensure the livelihood of the people and to support production and develop our economy. We have made great efforts and used many methods to bring in revenues over a long time. However, we have appeared to be weak in controlling our expenditures. In other words, we have found ways to increase our revenues but failed to raise the rate of utilization of funds. In surmounting current financial difficulties and striking a balance between revenue and expenditure, it is more important to control spending than to increase income.

Fan Qinchun said: Hard work and economizing are fine traditions in our country. As we are in the initial stage of modernization, we should concentrate more funds on construction. The over staffing and overlapping of government organizations are the main causes for the current shortage of financial resources. This is why government organizations at various levels can hardly stand such strains financially. In view of this situation, Henan Province is planning to reduce 140,000 personnel from administrative organs at various levels this year while carrying out organizational reform. About 10 percent of the 1.8 million personnel working in institutions will be reduced. The reduction of personnel should be reflected in the decrease of expenditure.

Fan Qinchun continued speaking about economizing expenditures and mentioned some of Henan's serious spending problems, such as the loss of resources through seepage, evaporation, and leaks [pao mao lou 6410 0379 3345]. He said: In stopping up loopholes, we should stress the reform and improvement of managing the spending system. The means for carrying out reform in this regard is to link various kinds of spending with personal interests; economic means should be used to control spending. Currently, such methods are being used on a trial basis in many parts of Henan, and successful experiences are being gained in this regard. From now on, public telephones installed in private homes for official purposes should not all be banned, but such treatment should be calculated in money terms, turning the distribution of materials into that of money. This will increase the users' sense of value so that self-restraint mechanisms for control of spending can be formed.

### Deputies Urge Less Paperwork, Meetings

OW1703131595 Beijing XINHUA Domestic Service in Chinese 0335 GMT 13 Mar 95

[By XINHUA reporter Zheng Qingdong (6774 1987 2639)]

[FBIS Translated Text] Beijing, 13 Mar (XINHUA)—“Our work is very tiring and we are often enveloped in an invisible ring of encirclement.” A National People’s Congress [NPC] deputy and local leader kept shaking his head when talking about his hectic daily activities. He told our reporter: “Although we work a tight, hectic schedule from dawn until dusk every day, we often fail to accomplish practical tasks because we are often uninformed of the truth and thus unable to understand the actual situation.”

To a certain extent, the deputy’s experience reflects the actual situation. That was a feeling echoed by some leading cadres when our reporter interviewed them on relevant issues. Actually, these leading comrades have no wish for prolonging the situation, and the broad masses of people have made a lot of complaints about the current state of affairs.

Some deputies said: It has been our party’s fine tradition and style to send leading cadres to the grassroots to conduct inspections and surveys and understand the local realities. Now, because comrades are surrounded by cadres of all levels, entourages, and reporters when they go to the grassroots level, they hardly have any chance for quiet chats with the people. This, and also the endless reports they have to hear and banquets they have to attend every day, prevent such inspection and survey trips from producing practical results and benefits.

Tong Hongmou, a deputy from Shanghai’s enterprise circles, said: The fact that leading cadres have to attend countless meetings is no longer a new issue. Some leading cadres have to attend many meetings daily at the grassroots, departmental, and organizational levels. How could such things not tire them out and prevent them from solidly doing good work for the masses? This, and the never ending stream of documents they have to read, further squeeze their already tight schedules. Documents from their superiors, subordinates, localities, and other localities swamp them. Some documents, although they are devoid of substance and do not help the situation, still require their attention.

Mountains of documents, seas of meetings, and all types of unnecessary social intercourse encircle leading cadres, tiring them out but producing only marginal results. Some deputies believe the key to solving the above issues lies in the leading cadres themselves, who should take the initiative to “break through” the “encirclement.” General Secretary Jiang Zemin asked leading cadres at all levels to descend from their lofty towers and leave their imposing dwellings to conduct in-depth inspections and surveys. He also asked leading cadres at all levels to cut unnecessary social intercourse. As for overcoming the

problem of “mountains of documents and seas of meetings,” we can say that the central authorities have already issued repeated injunctions, but why have they not been implemented? Leaders should take the lead in breaking through the rings of encirclement, concentrating on conducting unofficial visits, or staying in a place for some time without alerting local cadres so as to concentrate on understanding the actual local conditions. Grassroots comrades should also show understanding for their leaders, help them out of their predicament, and help them create a relaxed work environment, so that their leaders can immerse themselves in conducting concrete work and working for the masses in a down-to-earth manner.

### Xinjiang Official Speaks

OW1703141795 Beijing XINHUA Domestic Service in Chinese 0234 GMT 14 Mar 95

[By reporters Lou Wanghao (2869 2598 4110) and Liu Guangniu (0491 0342 3662)]

[FBIS Translated Text] Beijing, 14 Mar (XINHUA)—While deliberating the report delivered by Vice Chairman Tian Jiyun on the work of the National People’s Congress [NPC] Standing Committee, Abulaiti Abudurexiti, chairman of the Xinjiang Uygur Autonomous Regional People’s Congress, who sat in on the Third Session of the Eighth National People’s Congress, said: Accepting the supervision of the people’s congress and its standing committee is of great significance for implementation of work in the days to come.

He said: The people’s congress system, with people being the masters of their affairs as the core, is a fundamental political system of our nation. As representative of the people’s interests, the people’s congress and its standing committee exercise supervision over the government on behalf of the people. The purpose of the supervision is to help the government do its job well; it is also an effective way to avoid mistakes and ensure the effective implementation of laws. Governments at all levels must truly, unconditionally subject itself to the congress’ supervision and make greater efforts to do its work well.

Abulaiti Abudurexiti said: In recent years, the Xinjiang Uygur Autonomous Regional People’s Government has conducted regular education on the role, functions, and nature of the people’s congress among government employees to enhance their understanding. It has also instituted regular joint meetings and other programs to ensure that exchanges in work will keep in tune with ideological understanding. The Xinjiang Regional People’s Congress Standing Committee has in recent years organized people’s deputies and members of standing committees at all levels to supervise the work and law-enforcement of government, courts, and procuratorates at all levels. It has also administered examinations of professional proficiency and knowledge of law among appointed functionaries of state organs. These supervisory measures have effectively improved their adherence

to law in performing their work and integrity, thereby enhancing ideological education and strengthening organizational building.

Abulaiti Abudurexiti said: In accepting congress supervision, it is necessary to devote more attention to handling the deputies' motions, proposals, and suggestions and pay more heed to their suggestions and demands. Government at all levels in the autonomous region has improved the system for registering, processing, and replying deputies' suggestions to ensure that each and every suggestion is properly handled and answered. Meanwhile, the government has also reported regularly to the standing committee on progress in handling the suggestions. Some deputies in the past few years called for stepping up protection of cultural relics. Consequently, the autonomous regional government, in spite of financial difficulties, appropriated 1 million yuan for the protection of cultural relics.

Abulaiti Abudurexiti said: The supervision of the people's congress and its standing committee can help avoid mistakes in work. In 1994 and 1995, the people's deputies reflected, in a timely fashion, such problems as farmers' excessive tax burdens, high inflation, and vegetable shortages. The regional people's congress standing committee also adopted suggestions and resolutions on some of the problems. The government promptly appropriated funds and took measures to implement them. The action we took to correct this deviation in our work helped promote social stability and development.

Abulaiti Abudurexiti said that there is still room for improvement in regard to the autonomous regional government subjecting itself to congress supervision. In the future, we will continue to develop smooth working relations, conscientiously subject ourselves to supervision, and make contributions to the improvement of the people's congress system.

#### **Deputies Discuss Food Self-Sufficiency**

*OW1703142295 Beijing XINHUA Domestic Service in Chinese 0156 GMT 15 Mar 95*

[By XINHUA reporters Zhang Jianjun (1728 1696 6511), Yu Shaoliang (0060 4801 5328), and Guo Liquan (6753 0500 5028)]

[FBIS Translated Excerpt] Beijing, 15 Mar (XINHUA)—Since the second half of last year, many people at home and abroad have been asking this question: Can the Chinese people successfully solve the problem of feeding themselves on their own for some time to come?

Talk of this nature is not without any basis.

China's basic national condition is that it has a large population and limited arable land. The question of feeding China's 1.2 billion inhabitants has naturally become an issue of concern to the common people, given the yearly decline in arable land and the steady growth in the population. Last year was fraught with disaster,

resulting in decreased grain output nationwide. The issue of agriculture, especially that of grain, has naturally become the most discussed topic of National People's Congress [NPC] deputies and Chinese People Political Consultative Conference members attending this year's sessions of the two organizations.

During their spirited discussions, deputies from various localities and social strata revealed this news: We have successfully solved the problem of feeding ourselves, and we can completely support ourselves in the future.

#### **The Call of the Present and the Future: The Chinese People Can Only Rely on Themselves for Food**

"Feeding the people is a matter of utmost importance." For a long time, this saying has always accompanied the Chinese people's fierce struggle against poverty and hunger.

Before the policies of reform and opening up were implemented, sluggish agricultural development arising from excessive restrictions imposed on peasants by the old structure made it impossible to thoroughly solve the problem of feeding the people. Thanks to the spread of the contract responsibility system on a household basis with remuneration linked to output, from Xiaogang village in Fengyang, Anhui, to other parts of the country following the Third Plenary Session of the 11th CPC Central Committee, a miracle surfaced quickly: China brought an end to its chronically stagnant agricultural production, helping people realize their ancestors' dream of having sufficient clothing and food. The miracle also elicited exclamations of admiration from the rest of the world: A China that accounts for only 7 percent of the world's arable land feeds 22 percent of the world's population. This undoubtedly was a tremendous contribution to the entire human race.

The miracle was created by hundreds of millions of peasants under the CPC's leadership.

Many deputies said: Precisely because of smaller comparative returns generated by agriculture as a result of the development of tertiary and other industries in the aftermath of the miracle, some localities tended to slacken their efforts in grain production, going so far as to trade grain production for shortterm economic returns.

Deputy Mao Zhiyong, Jiangxi provincial party committee secretary, offered a penetrating analysis of this national condition: China ought to be a country with a high degree of grain self-sufficiency and a low level of dependence on grain-related foreign trade. This is because China has a vast territory and a large population, and it is not worthwhile to import vast quantities of grain, even if China can pay for the imports. Some deputies even said: Should a grain crisis erupt in China, which has a population of 1.2 billion, we may not be able to buy grain even if we can pay for it.

In view of this national condition, a State Council leading comrade again noted explicitly during discussions with the Guangxi delegation: Achieving basic grain self-sufficiency and a regional balance in grain production is the Chinese Government's consistent, basic national policy. Deputies said: We can only rely on ourselves to solve the problem of feeding ourselves. China can only rely on itself for food. This is an objective requirement at present and in the future.

#### **A Genuine Proposition: How Do We Support Ourselves?**

At present, China registers a yearly net increase of 17 million in its population and a yearly net decrease of more than 6 million mu in arable land. China needs to increase grain rations by more than 5 billion kg annually just to feed the additional population. As their living standards improve and the economy develops rapidly, people demand more, higher-quality agricultural and sideline products.

Faced with this reality, we must uphold the basic policy on family planning and arable land protection. Moreover, we should ponder this question further: How do we support ourselves even better?

The issues of agriculture and grain must be understood from the strategic viewpoint of the entire nation's future survival. A grass-roots deputy from northeast China said: We should genuinely stop the practices of "using slogans to promote agriculture," "holding meetings to promote agriculture," and "promoting agriculture on paper." Instead, we should draw up effective specific measures and implement them to the letter to ensure steady growth in grain production. [passage omitted]

Judging by the analyses offered by deputies, the following statistics have come to our attention: Currently, there are more than 900 million mu of low- and medium-yield farmland across the country. After transformation, the average per-mu yield can be raised by 100 kg. Over the next six years, we can transform 360 million mu of farmland and increase grain output by some 40 billion kg. Even if we do not transform low- and medium-yield farmland, we can still increase grain output by 10 billion kg through the wider application of conventional technology.

There is still much room for improving the multiple-crop index. Raising the multiple-crop index for arable land across the country by 3.5 percentage points to 158 percent over the next six years will amount to an expansion of crop acreage by 50 million mu nationwide. Based on a 50 percent ratio of this acreage for grain, we can increase grain output by 6.25 billion kg.

We should intensify our efforts to reclaim arable land in accordance with national general land utilization plans. If we reclaim 36 million mu of arable land over the next six years, we can increase grain output by yet another 8.5 billion kg.

Deputies said confidently: If we do these jobs well over the next six years, we can surely realize our goal of increasing grain output by 50 billion kg, and support ourselves completely on our own.

#### **Practical Measures: China's Hope for Increased Grain Output**

One after another, leaders from various localities attending the two sessions related their new understandings of agriculture, bringing with them plans to be implemented for some time to come regarding the "rice sack."

During the NPC session, Deputy Ye Liansong, the governor of Hebei, requested the central authorities to allow Hebei to undertake the task of increasing grain output by 5 billion kg over the next six years. He had done the following computing: Hebei has vast potential for increasing output because it has 49 million mu of low- and medium-yield grain fields, and 4 million mu of barren hills and wasteland that can be developed into arable land. From 1988 to 1994, Hebei increased grain output by 5 billion kg. The six years from now until the year 2000 will offer a good opportunity for a new upsurge in agricultural production across the country. Deputy Yue Qifeng, Heilongjiang provincial party committee secretary, boldly predicted that it is entirely possible for Heilongjiang Province to increase grain output by another 15 billion to 25 billion kg over the next 10 years. Jilin, Liaoning, Henan, Hubei, Hunan, Shanxi, Shaanxi, and Guangxi also brought glad tidings to the session.

The hope for increased output comes from peasants' initiative in grain production.

Last year, the state's promulgation of a series of policies caused substantial increases in peasants' incomes from grain production, for which peasants show greater enthusiasm. During an NPC group discussion of the government work report, General Secretary Jiang Zemin took the issue a step further by saying: We cannot let those engaged in agriculture suffer; we should make them see that agriculture has bright prospects. This remark is a tremendous encouragement to peasants and agricultural workers. [passage omitted]

Deputies from economically developed regions brought even more heartening news to the session: Shandong has proposed turning itself from a major agricultural province into an agricultural powerhouse. To guarantee input in agriculture, Jiangsu has created an "agricultural construction fund," a "flood-prevention fund," and a "construction fund for key agricultural projects," for which it will earmark more than 1 billion yuan over the next year. Guangdong and Fujian have designated large tracts of fertile grain fields as protection zones, and the occupation of these zones under any pretext will not be permitted.

Deputies' confident remarks and practical measures from various localities sent the following message to the

country and the world: The 1.2 billion Chinese people can solve their food problem entirely by themselves.

### PLA Notes Military Contributions

OW1703143795 Beijing XINHUA Domestic Service in Chinese 0258 GMT 16 Mar 95

[By reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 16 Mar (XINHUA)—Many deputies at the Third Session of the Eighth National People's Congress [NPC] extended, from the bottom of their hearts, their gratitude to our Army when describing the moving deeds performed—to support local economic construction and help the masses in flood prevention and relief—by the People's Liberation Army [PLA], which share weal and woe with the masses, with all hearts beating as one. During meeting breaks, they visited and extended their regards to PLA deputies and units. With the people's gratitude, encouragement, and expectations, PLA deputies indicated that in this year, our Army would more effectively bear the heavy responsibility of preserving social stability and promoting economic development, and use concrete actions to foster closer relations between the Army and the government and between the Army and the people, in order to make new and bigger contributions to reform, opening up, and modernization in the country.

It is understood that the PLA last year closely centered around the overall interests of the party's work to launch campaigns to support the Army and give preferential treatment to families of revolutionary soldiers and martyrs, to support the government and cherish the people, and to build advanced units through the joint efforts of the Army and the people. PLA units dispatched large amounts of manpower and material and financial resources to support national economic construction, help the poor, and provide disaster relief, winning favorable comments from local governments and the masses. Last year, the PLA spent over 26 million workdays and sent over 1.62 million machines and vehicles to help more than 10,000 local projects. That year saw the largest number of troops ever dispatched by the PLA in the 1990's. The troops successively participated in over 180 key projects at and above the provincial level, including over 40 communications projects, over 30 energy projects, 20 port-related projects, over 30 projects involving civilian and joint Army-civilian airports, and some water conservancy projects. They also participated in the construction of a large number of economic, technology, and tourism development zones, such as the Suzhou Industrial Park and the Zhangzhou Lantian, Shantou Hongqiao, Hubei Xiaogan, Jiangsu Tai Hu, and Chongqing new and high technology zones.

Deputies from the five autonomous regions of Xinjiang, Inner Mongolia, Tibet, Ningxia, and Guangxi, and provinces and municipalities, including Guizhou, Yunnan, and Qinghai, said to our reporter: By playing the leading

role in building the two civilizations, the PLA has promoted social stability and economic development in nationality regions.

Our own Army shed their sweat at the construction sites of over 30 key projects that benefit the ethnic minorities, such as the construction of the Lanzhou-Urumqi double-track railway line, Tarim petroleum pipelines, and Fengzhen electric power plant, and the development of the agricultural project for "the Yarlung Zangbo, Lhasa and Nyang Qu river valleys." When renovating Tibet's Bangda Airport, the world's highest airport with the longest runway above sea level, over 1,000 officers and men of a certain PLA Air Force engineering troop struggled against the unfavorable natural environment, worked more than 15 hours daily, and set a record of pouring 1,300 cubic meters of concrete daily to perform the wonder of constructing an airport on a plateau. The Xian-Urumqi fiber-optic communications line is the longest grade-one communications main line with the largest capacity in our country. The Lanzhou Military Region, dispatching more than 20,000 officers and men to work under complicated geological conditions and an unfavorable natural environment, used only 58 days to dig and backfill 2,300 km of trenches for the Xian-Urumqi fiber-optic cable, thus saving the state up to 100 million yuan. Deputies from Heilongjiang, Jilin, Liaoning, Shandong, Fujian, Guangdong, and other provinces and municipalities along China's borders and coasts told reporters: The PLA has vigorously supported the opening up of provinces and municipalities along the borders and coasts. It has sent troops to participate in the construction of special economic zones, development zones, ports, and border trade markets. They said: Without the participation and support from our Army, it will be difficult to overcome some of our problems.

How should the PLA handle the people's praises? Zhou Ziyu, a deputy, said: We should study new measures to promote Army-government and Army-people relations in the socialist market economy. We should also gain a better understanding of the great significance of solid Army-government and Army-people relations to building the People's Army; ensuring the smooth progress of reform, opening up, and modernization; and preserving a lasting good order in our country. In the future, the PLA officers and men should carry forward the fine tradition of being "especially capable of bearing hardships, showing endurance, and fighting," and produce more results in supporting local economic construction and consolidating and developing unity between the Army and government and the Army and the people. Zhang Taiheng, a deputy, said: The Army's science research units and technical arms should display their superiorities in technical equipment, and cater to the needs of the masses by helping, in particular, those who live in economically less-developed regions and old revolutionary bases overcome poverty and achieve prosperity. We should launch more effective activities to build advanced units through joint efforts of the people

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and Army, pay attention to the grass-roots and to implementing things, show a fine example in observing mass discipline, learn from the people, and become a vanguard in building the "two civilizations." Xiao Huaishu, another deputy, said: In view of the customs, practices, religious beliefs, traditional festivals, spoken and written languages, and other characteristics of the ethnic minorities, units stationed in ethnic minority regions should regularly educate their officers and men about the party's nationalities policy and help them further consolidate the foundation for promoting Army-government and Army-people unity. Troops stationed there should vigorously support local agriculture-related infrastructural construction. In addition to focusing on their own "rice sacks" and "vegetable baskets" and improving the life of officers and men, they should also take the initiative to make contributions to local "rice sacks" and "vegetable basket" projects.

#### **Xinjiang Leaders on Development**

*OW1703145595 Beijing XINHUA Domestic Service in Chinese 0301 GMT 13 Mar 95*

[Report by XINHUA correspondent Lou Wanghao (2869 2598 4110) and XINHUA reporter Liu Niuguang (0491 0342 3662): "Xinjiang Has a New Look"]

[FBIS Translated Text] Beijing, 13 Mar (XINHUA)—"Xinjiang is no longer a Gobi Desert. Reform and opening up have brought it a new look." In deliberating Premier Li Peng's government work report, many deputies of the Xinjiang delegation to the National People's Congress session were full of sentiments when they talked about the great changes in Xinjiang since the start of reform and opening up.

Deputy Amudun Niyaz [deputy secretary of the Xinjiang Regional Party Committee and chairman of the Standing Committee of the Eighth Xinjiang Uygur Autonomous Regional People's Congress] said: In the past, when Xinjiang was mentioned, people imagined the Gobi Desert, grapes, Hami melon, horse riding, eating with one's hands, and so forth. In fact, Xinjiang has long changed its backward and desolate nature. Through many years of construction, especially since the start of reform and opening up, great changes have taken place in Xinjiang's urban and rural areas. Many cities in Xinjiang are similar to those cities in other areas of the country, with smooth and straight asphalt roads and high-rise buildings. Telephones and televisions are now very popular; many families have various kinds of modern electric household appliances; and star-class hotels, karaoke, and dancing halls can be seen in both south and north of Tian Shan.

Deputy Aisihaiti Kelimubai, who is vice chairman of the Xinjiang Uygur Autonomous Regional people's government, said: Some foreigners, including overseas Chinese, are not familiar with the transportation conditions in Xinjiang. They say that Xinjiang has many deserts and camels, and that transportation in Xinjiang is very

inconvenient. In fact, transportation in Xinjiang is now very convenient. In cities, people can call a taxi when they go out. There are some 10,000 taxicabs and micro-buses. Xinjiang is one of the provinces with the most flight routes. There are direct flight routes to more than 20 provinces and regions, as well as to Hong Kong. In the autonomous region, there are flight routes to remote places such as Kashi, Hotan, Qemo, Ili, and Tacheng. The total length of railways in Xinjiang has exceeded 2,000 kilometers, linking the southern and northern areas. And more railways are being built. A double-track railway line between Lanzhou and Urumqi has been completed and put into operation. Since 1985, all locomotives have been using diesel engines. Highways are also very convenient, leading to all counties and townships. In addition, there are also overnight bus services operating both day and night between the north and south of the region. There are 2.74 telephones per every 100 persons. This ranks Xinjiang 13th in the country, higher than Shandong, Hebei, Hunan, Sichuan and other provinces and regions. Cellular telephones are being used in 21 prefectures, cities and counties, and radio calling services are provided in 67 prefecture, cities and counties. In Xinjiang, many cities and counties, including Taxkorgan Tajik Autonomous County in Pamir, can use telephones to talk with people in other parts of the country and foreign countries.

Deputy Wang Lequan, acting secretary of the Xinjiang Uygur Autonomous Regional CPC Committee, said: Xinjiang not only has beautiful land and abundant resources, but also wonderful people. I was transferred to work in Xinjiang from Shandong more than four years ago. I have noticed that cadres of minority nationalities and the masses in Xinjiang are sincere and very warm. People of various nationalities are very friendly toward each other and live in harmony, and cadres and technical personnel of Han nationality are much welcomed by the local people. There is an old Uygur saying: "Our dining table is very large, and it can accommodate all friends." Of course, we all know that besides the good things such as sweet melon, nice songs and beautiful dances, there are also some wastelands and backward places in the region. However, they are not the main thing and cannot represent Xinjiang. The unity of various nationalities, the prosperous trades of various kinds and the course of modernization are the new facades of Xinjiang. Most recently, when General Secretary Jiang Zemin and Vice Premier Zhu Rongji came to join the Xinjiang delegation's panel discussions, they gave us important guidance and enabled us to have more confidence in promoting modernization in Xinjiang.

#### **Deputy on Building Railways**

*OW1803022995 Beijing XINHUA in English 0201 GMT 18 Mar 95*

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—The Chinese Government should make policies to pool foreign capitals to railway construction as early

as possible, said a deputy attending the current Third Session of the Eighth National People's Congress.

Wu Changyuan, director of the office of the Ministry of Railways, said that the entire plan of laying new lines, double tracks and electrified railways in the Eighth Five-Year Plan Period (1991-95) can hardly be fulfilled due to the shortage of funds.

Wu said that China plans to pour 30 billion yuan into the railway construction in 1995, after a 32.2 billion yuan investment last year. But 6 billion yuan is still in shortage for the year despite state measures such as setting up a railway construction foundation and giving preferential loans to the railway builders.

China's investment in railway has kept on expanding since 1993, in which 23.55 billion yuan was used in the railway sector, 4.2 times the amount of the previous five years.

To keep in line with the national economic development, the Ministry of Railways aims at building 10 key projects in the coming three years, such as the Beijing-Kowloon railway and the double tracks from Wuwei, a city in Gansu Province, to Urumqi, the capital of Xinjiang, in northwest China.

Wu said that China has been encouraging overseas investment in infrastructural construction.

As railway transport charges have long been kept at a very low level. The recovery of investment has always been a difficult task, Wu said. The enthusiasm of overseas investors has been dampened.

Wu proposed that the government should increase the transport charges and taxes in the sector, as part of the measures to encourage overseas investment.

He also suggested that while continuing to use the loans of foreign governments and aids of international consortiums, the government issue railway bonds and stocks.

#### Deputies Encourage Investments

OW1803023595 Beijing XINHUA in English 0218  
GMT 18 Mar 95

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—Deputies from western China who are attending the ongoing session of the National People's Congress (NPC) all agreed that now is the best time for foreign investment in their localities.

Deputies from the western provinces and autonomous regions, which occupy some 60 percent of China's land-space, said they have been implementing preferential policies with regard to foreign investors.

Western China, including Xinjiang, Shaanxi, Qinghai, Gansu, Ningxia, Inner Mongolia, Tibet, Sichuan, Guangxi and Guizhou, has rich energy resources and over 60 percent of China's mineral deposits including oil, natural gas, coal, sylvite and nonferrous metals.

Bao Wenfa, vice-chairman of the Inner Mongolia Autonomous Region, said that the region welcomes foreign investment to help with its development and expand its existing industry.

Proved reserves of coal deposits in Inner Mongolia tops 210 billion tons, and its reserves of rare earth account for 70 percent of the world's total.

Following construction in the past years, an industrial base featuring thermo-power, iron and steel, rare earth, nonferrous metal, building materials and chemical industries has been formed in the region, Bao said.

Another deputy, Aiskait Kerimbay, who is vice-chairman of the Xinjiang Uygur Autonomous Region, said that western China has a combined border line of more than 10,000 kilometers, neighboring on a dozen countries.

Currently, dozens of border outlets have been established and a new Eurasian continental bridge cuts through the region to connect coastal China and Western Europe.

The local advantages have already drawn many enterprises from east China. Some 19,000 contracts on economic and technological cooperation projects have so far been signed between coastal China and the five autonomous regions—Inner Mongolia, Xinjiang, Guangxi, Ningxia and Tibet—involving investment and equipment worth more than 10 billion yuan.

But the deputies said that this is far from enough in boosting economic development in the locality.

Bai Lichen, chairman of the Ningxia Hui Autonomous Region, said that more foreign investment should be used to accelerate the pace of local economic expansion.

In Ningxia alone, he said, there are two key water control projects, some large coal mines and several thermo-power plants and an airport that are in urgent need of foreign investment.

Wang Hanmin, deputy governor of Qinghai Province, said that his province has improved many of its preferential policies for foreign investors and has established a number of economic pilot zones and development zones.

He said that Qinghai offers priority treatment to foreign-funded projects in terms of energy supply, transportation and materials supply.

Meanwhile, gas and oil projects and land development projects in Xinjiang and many other projects in Gansu, Shaanxi, Guizhou and Yunnan also need foreign investment, they said.

#### Legislators Oppose Jiang Chunyun

HK1803054095 Hong Kong SOUTH CHINA  
MORNING POST in English 18 Mar 95 p 1

[By Daniel Kwan in Beijing]

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[FBIS Transcribed Text] Former Shandong Communist Party boss Jiang Chunyun yesterday suffered a humiliating blow when 36 per cent of legislators refused to endorse his nomination as a new vice-premier in the Chinese Cabinet. Of the 2,752 National People's Congress (NPC) deputies present, 1,746 voted in favour of Mr Jiang, 605 voted against and 391 lodged abstention ballots. Ten other deputies did not vote.

Also elected as a vice-premier yesterday was Wu Bangguo, a member of the Secretariat of the Communist Party Central Committee. The negative votes were also seen as a blow for President Jiang Zemin, with whom the two newcomers are closely associated. The unusually high number of objection votes for Mr Jiang Chunyun—almost 22 per cent of the deputies—is unprecedented in the NPC's 42-year history. The disapproval yesterday was more remarkable than the uproar caused three years ago when 177 deputies voted against the construction of the Three Gorges Project on the Yangtze River. At that time, 664 legislators abstained.

Mr Wu, former party secretary of Shanghai, received 2,366 votes in favour, 210 votes against and 161 votes abstained. Fifteen legislators did not cast votes. While Mr Wu joined the other deputies in applauding after his votes were announced, Mr Jiang sat stiffly and did not move a finger. Except for a few brief occasions when he exchanged words with his neighbor and State Councillor Chen Xitong, Mr Jiang, 64, sat through the two-hour session more like a mummy than a candidate running for government office. The other four vice-premiers are Zhu Rongji, Li Lanqing, Zou Jiahua and Qian Qichen.

President Jiang showed no obvious sign of disappointment when the result of vote was announced. He shuffled papers on his desk, leaned back in his chair and looked up at the ceiling.

But the deputies who sat in the main hall showed far greater interest. Some rose to check figures shown on the electronic display, and members of the military band on the second floor began chatting among themselves. Some were heard murmuring: "Look, so many objection votes." The results drew a mixed reaction from legislators but many said it was a show of people power.

Li Chunting, Shandong's new Governor said: "Some people may not be too familiar with Secretary Jiang (Chunyun). But as soon as he starts working, people will get to know him." He denied the result was down to the close links between the two Jiangs and the party's Shanghai Faction. "We have more Shanghai people working in the central (Government) because there is more talent in Shanghai," Mr Li said.

Zhao Zhihao, Mr Jiang's successor in Shandong, dismissed the negative votes. "He got more votes of support (than objection). It may appear a little high in China but this is no big deal in foreign countries." But some deputies thought otherwise. Bo Xilai, Dalian Mayor and son of party elder Bo Yibo, said: "This shows the

deputies have a strong sense of democracy and (use the ballots) to express their opinions."

Wu Bo, chairman of Shantou People's Congress, was more blunt. He said of the more than 1,000 votes of objection and absention for Mr Jiang: "This shows some deputies think he is not qualified."

#### Deputies Discuss New Vice Premiers

HK2003041195 Hong Kong WEN WEI PO in Chinese  
18 Mar 95 p B2

[Dispatch by WEN WEI PO reporters team: "Liaoning, Yunnan, Shanghai Leaders Express Hopes in Two Newly Elected Vice Premiers"]

[FBIS Translated Text] Wu Bangguo and Jiang Chunyun were elected vice premiers today, and in interviews with reporters some provincial governors, mayors, and ministers expressed their hopes in the two.

Newly appointed Liaoning Governor Wen Shizhen said: As soon as Wu Bangguo was elected today, the vice premier went to the Liaoning NPC delegation to hear a report on the transformation of old industrial bases and on readjustments to the industrial setup. This showed that Vice Premier Wu Bangguo attaches great importance to the economic development of Liaoning, which is a major industrial province. With respect to Jiang Chunyun, Wen Shizhen said: Shandong has enjoyed rapid economic growth in recent years, especially in the rural economy. In the division of work, Jiang Chunyun is to take charge of agriculture, which suits his experience.

Yunnan Governor He Zhiqiang, and Dalian Mayor Bo Xilai—both NPC deputies—shared the opinion that both Wu Bangguo and Jiang Chunyun are very strong in ability, and are believed to be competent in their new offices. He Zhiqiang hoped that the two vice premiers would inspect Yunnan as early as possible, and would guide the province in the work to eradicate poverty.

Shanghai Vice Mayor Zhao Qizheng voted for both Wu Bangguo and Jiang Chunyun. He indicated that Jiang Chunyun went about things steadily, and had some definite ideas about agriculture. Recent years have seen pretty good agricultural development in Shandong. As for Wu Bangguo, Zhao described the newly elected vice premier as "possessing wisdom, great talent, and bold vision," and said that Wu Bangguo has participated in the formulation of the strategic thinking for the development of Shanghai in recent years, and has contributed to the major concept of the reform and to the layout of the municipality's industrial setup. Zhao Qizhen believed that in his vice premiership, Wu Bangguo would take matters into account from the plane of the whole country.

Huang Zhendong, the minister of transportation and communications who attended the NPC as a non-voting member, indicated that the addition of two vice premiers would greatly help the State Council in its work.

Viewing the needs of work today, the addition of greater leading strength—especially in agriculture, transportation, and communications—is a fine thing.

Power Industry Minister Shi Dazhen said the two newly elected vice premiers each have their own strong points. Wu Bangguo had done a relatively good job when he was in charge of reform and opening up in Shanghai, doing a good job with enterprises. He is comparatively younger in age, and has an educational background. Jiang Chunyun, on the other hand, came to the fore from an environment of practical work, and is experienced in agriculture; furthermore, he has done a good job in Shandong, which has enjoyed steady development.

Guangzhou Mayor Li Ziliu said: Shanghai is an industrial base; Wu Bangguo, from Shanghai, is relatively experienced in industry. Li hoped that the two newly elected vice premiers would do a still better job in their work, and would live up to the expectations of the people of the whole country.

With respect to the difference in the results of the ballot, the deputies believed that this difference reflected the progress of democratization, and embodied the fact that the NPC has given full play to the democratic spirit.

Wang Xiujun, a deputy from Lingxin, in Shandong, believed that what accounts for the relatively fewer votes for Jiang Chunyun could be the lack of understanding of him on the part of deputies. On the other hand, it also showed that Shandong still had shortcomings and mistakes in its work, which need be corrected. However, he said that Jiang Chunyun is a leading member with a strong sense of blazing new trails. He has moved up gradually from the grass roots, has relatively rich experience, and has led Shandong in its change from a backward to a major province in China. It is believed that he will gradually win the trust of the people of the whole country through his work in the days to come.

#### **Delegate Warns Xinhua Director's Position 'Unlawful'**

*HK1903072695 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 19 Mar 95 p 7*

[By Linda Choy in Beijing]

[FBIS Transcribed Text] XINHUA, (the New China News Agency) director Zhou Nan came under attack again yesterday, in the presence of one of China's top leaders. Without referring to him by name, lawyer and local National People's Congress (NPC) delegate Liu Yiu-chu warned that allowing Mr Zhou to remain on the NPC Standing Committee would undermine local confidence in the rule of law after 1997.

Her comments came when local delegates met NPC chairman Qiao Shi and his 17 deputy chairmen. Ms Liu said it was unlawful for Standing Committee members to serve on the executive, legislative and judicial arms of the government—an apparent reference to Mr Zhou. Ms

Liu said it was "worrying" for the NPC to recognise the legal status of someone who worked in government but also served as an NPC Standing Committee member.

Hong Kong people should press for the matter to be dealt with, she said. Ms Liu also queried the need for Xinhua to work as China's de facto embassy in the territory when there were formal offices representing the Joint Liaison Group and another to issue visas.

#### **Hong Kong, Macao Deputies Unhappy Over Censorship**

*HK2003044095 Hong Kong MING PAO in Chinese 17 Mar 95 p A9*

[By staff correspondent group: "High Echelons' Overriding Concern Is Stability; Congress Bulletin Avoids Carrying Sharp Criticisms"]

[FBIS Translated Text] A few days ago, some Hong Kong and Macao Chinese People's Political Consultative Conference [CPPCC] members protested about arbitrary deletions of their speeches by the Congress Bulletin [jian bao 4675 1032], and its failure to convey their original meanings. Later, however, after Li Ruihuan's intervention, they were satisfied in their demands. Sources familiar with the publishing process of bulletins said that in fact, high echelons had given instructions before the congress that "stability is the overriding concern," and the bulletin working group had called a special meeting laying down guidelines to fulfil the spirit of this instruction.

It has been revealed that the bulletin working group is comprised mostly of staff who have worked on quite a few National People's Congress [NPC] Bulletins before, so even if the current session had not emphasized "stability," staff still would have observed certain conventions. For example, as a rule, "sniping"—accusations between provincial, city, and departmental leaders who are congress deputies—and sharp and highly impassioned speeches are not published.

Sources said: The NPC puts out an additional publication entitled "EXPRESS POST" [kwai bao 1816 1032], which is devoted to sharp speeches and criticisms targeting high-ranking leaders by name. "EXPRESS POST" has only a very small circulation—a few dozen—and is read only by Political Bureau members and a small number of officials concerned.

It has been learned that the authorities concerned have instructed "Bulletin" staff that the NPC should not be turned into a "complaint-airing meeting," and that the congress should maintain an upbeat note. This explains why the "Bulletin" is not publishing speeches full of complaints, and is limiting sharp criticisms to as few as possible. The authorities' biggest concern is that the publication of these speeches in the "Bulletin" might prompt deputies to make radical speeches, thus contradicting the congress' principle of "unity, solidarity, and energizing."

It also has been revealed, however, that the "Bulletin" has been rather monotonous and thin in content. Many deputies have spoken against it, and some think little of such meetings. It has been learned that some deputies are revealing their real opinions only on informal occasions, and will mouth only "niceties" suited to the occasion at general assemblies or small-group discussions. Even when they are making a comment, they will try to present it in the best possible light, and will keep their tone mild.

It is said that some deputies have said in private that because the congress is an annual event, they will do their best to make an "effort"; otherwise they will have a hard time explaining to their constituencies. News units may be influential, but controls are correspondingly strict; moreover some speeches are indeed not publishable, but the congress "Bulletin" is an internal publication and so should be less restrictive. Deputies therefore reasoned that they might have something to show to their constituencies, and that they would not have come for nothing if they had exerted some influence by getting their speeches published in the "EXPRESS POST." They did not expect that controls over the "Bulletin" would be equally strict. As a result, their enthusiasm for meetings has been dampened.

#### **Guangdong Leaders Discuss Convergence With Hong Kong**

HK2003075195 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1343 GMT 6 Mar 95

[By reporter Mao Wei (0379 7289) ]

[FBIS Translated Text] Beijing, 6 Mar (ZHONGGUO XINWEN SHE)—There are only two years or so left for the Chinese Government to resume the exercise of its sovereignty over Hong Kong, so how should Guangdong, which neighbors Hong Kong, shoulder the important duty of converging with Hong Kong? The Guangdong delegation to the Third Session of the Eighth National People's Congress [NPC] had heated discussions on this question.

Xie Fei, secretary of the Guangdong CPC Committee, said frankly that Guangdong had historical ties with Hong Kong in the past, and also has close economic contacts with Hong Kong at present. On the question of Hong Kong, Guangdong must shoulder the important duty of making its due contribution to Hong Kong's smooth transition.

In converging with Hong Kong, Xie Fei continued, Guangdong must do well the work in four aspects: First, modernize Guangdong, and particularly the Zhujiang delta, so as to narrow its gap with Hong Kong; second, step up building of transportation and other infrastructure, and open up convenient channels for Hong Kong's contacts with the interior; third, do foreign affairs work well, help Hong Kong compatriots resolve their difficulties and dispel their misgivings, and win popular support; and fourth, rectify social order, create a fine social

mood, and let more Hong Kong compatriots invest in and tour the interior at ease.

On the question of specifically implementing this important task, Guangdong Governor Zhu Senlin said that the province should strengthen planning and construction in the Zhujiang delta, and step up efforts in basic facilities, urban and rural planning, industrial structure, environmental protection, and spiritual civilization. These tentative plans should be closely converged with Hong Kong. Take the basic facilities for example; Guangdong now is considering the construction of the Lingdingyang Bridge, a corridor to connect Hong Kong with west Guangdong. In enterprise structure, Guangdong is trying its best to reduce those enterprises that duplicate those in Hong Kong, and to run new industries to make up for Hong Kong's inadequacies. In urban and rural planning, Guangdong will strive for development at a higher level and will match that of Hong Kong. In environmental protection, the two sides have taken joint action. The establishment of the group to deal with Shenzhen River is an example of the concerted efforts made by Guangdong and Hong Kong. In spiritual civilization, Guangdong will focus attention on improving social order. Guangdong and Hong Kong have cooperated on numerous occasions in attacking criminal offenses. The scope of police cooperation between the two sides also is expanding further.

As for the large number of policy-related problems in Hong Kong, Zhu Senlin said that it is beyond Guangdong's capability, and is a matter for the state organs. Nevertheless, Guangdong will undertake the responsibility of converging with Hong Kong in basic work. Although convergence is a very complicated project, we believe that Guangdong will have an outstanding performance in the course of this historic change.

#### **New Shaanxi Governor on Opening Wider to World**

HK2003075295 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1116 GMT 8 Mar 95

[Report on interview with newly elected Shaanxi Governor Cheng Andong (4453 1344 2639) by reporter Zhang Ke (1728 0985), in Beijing during the Third Session of the Eighth National People's Congress]

[FBIS Translated Text] Beijing, 8 Mar (ZHONGGUO XINWEN SHE)—Shaanxi, far from the coast, is a province with rich natural resources. It can be called first-class in terms of energy, talented personnel, and historical relics. How can we change the potential strength into actual splendor? Cheng Andong, the newly appointed governor, who worked his way up as a mining engineer, says his plan to run Shaanxi is to "use opening up to promote exploration, and to use exploration to seek development."

Cheng Andong, who is currently attending the Third Session of the Eighth National People's Congress in

Beijing, granted a special interview to this reporter, and explained his plan from the viewpoint of logic: Shaanxi's development relies on comprehensive exploration, which requires money. Shaanxi is a poor province, and the state has a very limited amount of investment for it, so it can only rely on opening up to the outside world and go out to attract funds. The state's basic policy is reform and opening up, and in Shaanxi the first concrete measure is to open up because opening up is the top priority among various tasks and is the golden key to invigoration of the province.

Judged from history, the period when Shaanxi was most developed was the period when it was widest opened. Cheng Andong, who has profound historical knowledge, served more than four years as party secretary in Xian before taking the governorship. He thoroughly understands this land and has a deep feeling toward the people on it. In the history of Chinese civilization, nowhere is like Shaanxi, which has great brilliance as well as deep sighs. In prehistoric times, our ancestors lived and prospered here, and the highest authorities of 13 dynasties—including the Zhou, Qin, Han, and Tang—had good opinion of Shaanxi, and built their capitals here. The people of Shaanxi are proud of the history of the Qin Empire's conquering all the states and unifying the entire country, and the Tang civilization's containing different cultures and showing tremendous elegance. After the Song Dynasty, Shaanxi began to decline. By the 1940's, when high buildings emerged along Shanghai's promenade, where pearls and jewels made that municipality shine, the old city of Xian, which once had witnessed the scene of "the gates of the palace on top of the hill opening for tributes from everywhere," had already crumbled. In particular, the development of the southeast coast in recent years has strongly aroused the Shaanxi people's awareness of revitalization. Therefore, Cheng Andong ambitiously told this reporter: Opening wider to the outside world and creating splendor again is the common wish of the 35 million kinsmen in Shaanxi.

Cheng Andong said that opening up is for promoting reform and for developing the three major potentials of Shaanxi. The 59-year-old governor spoke eloquently in this regard.

According to Cheng Andong, Shaanxi's comprehensive scientific and technological strength ranks third in the country, and the province has many research institutes, talented scientists and technicians, and technological achievements. China's important aeronautics and astronautics base is also in Shaanxi. Competition in the area of the economy is also competition on the market, and the world's big market can be occupied only by the products that are produced by advanced science and technology. To change scientific and technological strong points into economic strong points, the government, enterprises, and scientific research units themselves should make a common effort, while government should strengthen coordination, enterprises should enhance enthusiasm, and scientific research units should

walk from the forefront of science and technology to the forefront of production. Cheng Andong said happily that the emergence in Shaanxi of the private enterprises that use advanced science and technology already has shown great vitality, and last year their output value exceeded 3 billion yuan. The government will continue to encourage the development of private enterprises that use advanced science and technology.

Shaanxi has abundant oil, coal, and natural gas deposits, and along the Qin Ridge there are lots of nonferrous metals. Cheng Andong thought that energy is an important factor promoting economic development, and there are numerous examples showing that energy can make a country or region prosper. Exploration of large coal mines in Shaanxi has just started, and natural gas prospecting has been nearly finished, while tapping has just begun. Added to the fact that Shaanxi is nearer to the developed east than the major energy provinces in the northwest, there are broad prospects for energy development. Cheng sincerely hoped that the people at home and abroad can invest in energy exploration and utilization in Shaanxi through sole proprietorship, joint venture, and cooperation.

Cheng Andong cherishes a deep affection for the unique cultural relics in Shaanxi because without such cultural relics, Shaanxi would not have been as well-known as it is today. Last year, 430,000 foreign tourists visited Shaanxi. The overseas exhibitions of such cultural relics as the Qin warrior figures often have caused a sensation, and more than 40 million people have seen them. Recently, Shaanxi's people and experts have expressed the strong wish to excavate the Qian tomb. The Qian tomb is that containing Li Zhi, Emperor Gaozong of the Tang Dynasty, as well as Empress Wu Zetian. It is the largest and most intact imperial tomb of the Tang Dynasty. Cheng Andong is very supportive regarding the plan to excavate the Qian tomb, and thinks time is ripe for action. At present, he is lobbying for the matter and asking the relevant state departments to turn the plan into a reality.

#### **Yunnan Delegation Discusses Government Work Report**

*HK2003075495 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 7 Mar 95*

[FBIS Translated Excerpt] In the Yunnan Room of the Great Hall of the People yesterday afternoon [7 March], the Yunnan delegation of deputies attending the Third Session of the Eight National People's Congress [NPC] in Beijing held a group discussion to discuss Premier Li Peng's government work report. In the Yunnan Room, which was decorated with the distinctive features of the nationalities in the border areas, the lights were bright, the flowers were in full bloom, and spring was in the air. NPC deputies of all nationalities from all fronts of endeavor gathered in the room to hold a discussion centering on Premier Li Peng's government work report. They vied with one another to offer good ideas and

proposals, and they exercised the sacred duty entrusted to them by the Constitution in light of the realities in their own localities.

Governor and deputy He Zhiqing was the first to speak. He said: Premier Li Peng's report is encouraging and good. It summed up last year's work realistically and appropriately, and set a clear goal for the work in 1995, with outstanding priorities and efficient measures. At the same time, it made a thorough and convincing analysis of existing problems, which tallies with the country's national condition and the province's realities. Last year the country made new advances in its various fields of work, and all undertakings flourished. This was true in the case of Yunnan, and was even better than expected. This shows that the central authorities' principle of grasping opportunity, deepening reform, opening wider, and maintaining stability is entirely correct, and that it enjoys popular support. The numerous policies and measures set by the central authorities have produced the desired results. The report has expounded on the questions with which the people are concerned—such as commodity prices, agriculture, sound management of large and medium-sized state-owned enterprises, building of clean government, and widening of the gap between central and western regions—and on measures taken to deal with them. As I see it, to narrow the gap between the central and western regions and the coastal and economically advanced areas, we must:

1. Bring the central and western regions' strong points into full play;
2. Support them in terms of industrial policy and distribution of productive forces.

It is my hope that while working out the Ninth Five-Year Plan, the central authorities and the State Council will fully understand these two points, which are of great importance to us, the poverty-stricken border areas of nationalities, and also where lies the hope of doing a good job in the province's work.

The issue of agriculture was most frequently talked by the deputies at the discussion. Deputy Pu Chaozhu, secretary of the provincial party committee, said: The agriculture section in the report is well expounded. It pointed out that agriculture has a weak foundation, and its ability to resist natural disasters is limited. Such being the case, and regarding agriculture as a priority task, the report put forward 10 major policy measures, all of which tally with the realities in Yunnan. The development of Yunnan's economy is good in general, but the development is unbalanced between different areas, nationality areas, mountain areas, and plains areas. Hence, there is a structural contrast. On the one hand, the province's tax and financial revenues amount to 25.7 billion yuan, and this figure is among the highest in the nation, while on the other hand, the province has 73 poverty-stricken counties, and this figure is the highest in the nation. Thus, rich natural resources and poverty

have formed a sharp contrast. Therefore, in investment, a favorable policy should be pursued. The tough battle to help the poor should be fought successfully. While doing the help-the-poor work, we should support education, carry out well the compulsory six- and nine-year education, as well as diversified education among staff members and workers, train qualified people of various types, and turn dependence on outside talents into production of the province's own talents. Great efforts should be devoted to forestry development. We should develop animal husbandry, forestry, and the mining industry simultaneously. All this will enable us to achieve a well-to-do standard of living. With a good policy, a good path of development, and a good operational mechanism, we are confident and hopeful in leading the people of all nationalities in Yunnan to shake off poverty, and to achieve prosperity and a well-to-do standard of living.

Vice governor and Deputy Liu Jing spoke at the discussion. In his speech, he maintained: Last year witnessed the intensification of reform. Reforms in such areas as tax and foreign trade were introduced one after another. Under the guidance of the central authorities' 20-character policy, the various policies produced the desired results. While affirming achievements, the report pointed out the problems and difficulties facing the country, and made a realistic analysis of them. This shows that the government is responsible to the people, and has confidence and strength. To do a good in Yunnan's work, one important aspect is to persist in continuing to open the province wider to the outside world and to absorb foreign capital vigorously. In attracting foreign capital, we still have a long way to go compared with developed areas and surrounding countries, and we must have a sense of crisis. We must make greater efforts to do this aspect of work. At the same time, it is our hope that the state will create a relatively relaxed policy environment for central and western China, and that through our own efforts, Yunnan's development then will have great hope of success.

Deputies (Yang Chuanjiang), (Chen Zhengming), (Gesang Dunzhu), (Dao Aimin), and (Pan Zhengyang) also delivered speeches. [passage omitted]

The group discussion was presided over by Yin Jun, chairman of the provincial people's congress. Chu Zhuang, member of the NPC Standing Committee and vice chairman of the Central Committee of the China Association for Promoting Democracy, and Teng Teng, chairman of the China UNESCO National Committee, joined the discussion in the capacity of ordinary deputies.

#### Anhui Governor Interviewed on Agriculture

OW1703145695 Beijing XINHUA Domestic Service in Chinese 0959 GMT 13 Mar 95

[By XINHUA reporters Zhao Peng (6392 7720) and Chen Yuanbin (7115 3293 2430): "Grab the Opportunity To Invigorate Agriculture and Bring Prosperity to Anhui—Governor Hui Liangyu's Concept of Agriculture"]

[FBIS Translated Text] Beijing, 13 Mar (XINHUA)—Anhui Governor Hui Liangyu made a striking remark: People who have a sense of crisis will not encounter crisis, and people who don't will encounter it. With the whole country having recognized the crisis in Chinese agriculture, the opportunity for vigorously developing agriculture has arrived.

Hui Liangyu, who is attending the National People's Congress [NPC] session in Beijing, talked to reporters about ways to develop agriculture in Anhui.

The reporters asked: What is the "opportunity for developing agriculture?"

Hui Liangyu hit the nail on the head: First, as the whole nation has attached great importance to farming, there is a good climate for developing agriculture. Second, because the shortage in the supply of farm products remains, their prices have increased. The great demand for farm products means a big market, which in turn will bring about a great opportunity.

He continued: To develop agriculture, we should not just "take" the opportunity, but should "grab" the opportunity. As a major agricultural province, Anhui's advantage in economic development lies in agriculture. Now that the opportunity for developing agriculture has arrived, Anhui must grab the opportunity, firmly grasp it, and get on board the express train. The train's first stop in Anhui is the "high-yield poor province" and its destination is the "high-yield prosperous province."

Hui Liangyu showed a particular interest in agriculture. This is not only because his career achievements in government service are closely related to agriculture; but also, as the governor of Anhui, a major agricultural province in central China, he believes agriculture is the foundation for developing the provincial economy.

Hui Liangyu characterized Anhui's agriculture as "large in size and poor in living standards." Anhui is among the top provinces in output of grain, cotton, and edible oil as well as in the amount of such crops transported to other regions; it has a rural population of 50 million; and the output value of its primary industry accounts for 26.9 percent of the gross provincial product, which is 7.5 percent more than the proportion of the output value of the primary industry in the gross national product. However, Anhui's per capita peasant income was only 973 yuan in 1944, 247 yuan less than the national per capita income of peasants. Therefore, it is a poor province.

As Anhui is poor, it has to think of ways to improve its condition. How can improvement be made? Hui Liangyu maintained: In developing Anhui's agriculture from now on, we should start with comprehensive development and utilization of all agricultural resources. We should pay close attention to raising farming efficiency and, while maintaining stable grain and cotton production, readjust the production structure in rural areas

according to market demand, laying a particular emphasis on processing farm products and increasing their value.

Hui Liangyu said: Good ideas and useful experiences in economic development invariably come from the grassroots. Some localities in Anhui have already blazed a trail for the traditional farming areas to achieve high yield and prosperity. For example, Fuyang Prefecture has used grain and straw, which are abundant in the locality, to raise cattle; and so far, 1 million head of cattle are slaughtered annually. With cattle prices rising day after day, a head of cattle is now worth as much as a hand-operated tractor. Because of increased income from cattle raising, local peasants said joyfully: "Cattle bring us prosperity." Prosperity in one area has rejuvenated numerous areas of the economy. As people are raising more cattle, there is a greater demand for grain, which in turn increases grain prices. The whole prefecture has utilized cattle to promote the processing of meat, leather, bones, internal organs, and four other industries, thus absorbing large numbers of surplus rural labor and boosting the local revenue. Cattle-raising has become a major industry for invigorating agriculture, making peasants prosperous, and increasing the revenue.

Commenting on this, Hui Liangyu said: Agricultural resources in farming areas are an enormous asset. What is important is the utilization of these resources in accordance with the principles of a market economy. The next step to be taken in Anhui's farming areas is to expand the use of agricultural resources by promoting the industrialized management of agriculture, integrating agriculture, industry, and trade, and combining industry and commerce with animal husbandry and fishery. We should use agricultural resources to promote intensive development of farm products, keeping the merit of processing farm and sideline products in the countryside. There are vast undeveloped mountains, slopes, and beaches, as well as rich water resources in Anhui's farming areas. We should gear to the market demand in tapping the full potential of such mountains, slopes, beaches, and water resources. We should go all out to grow cash crops and to develop agriculture to increase peasants' incomes. In this way, we can comprehensively exploit agricultural resources and increase peasants' incomes in a down-to-earth way.

In order to be successful in reality, any good idea must be translated into concrete action by tens of millions of people. Hui Liangyu said: Anhui, as the birthplace of reform in China's rural areas, must deepen rural reform and further liberate and develop productive forces so as to effectively promote the peasants' enthusiasm in promoting agricultural production. With a view to stabilizing popular feelings, to firing the enthusiasm of peasants in growing crops and caring for farmland, and to increasing the productivity of land, we have carried out the second round of land contracting in Anhui's countryside. In the course of the latest round of land contracting, the whole province will gradually explore the

mechanisms for transferring the land-use right and for allowing the transfer of land and the use of land as mortgage to buy stocks, thereby promoting the rational flow of production elements of land, enabling land to gradually centralize in the hands of farming experts, and raising the efficiency of agricultural production.

Hui Liangyu said: The most crucial issue in China's reform will be the transformation of the traditional farming areas—which form the pillar of support for Chinese agriculture—to the market economy. China has achieved a remarkable economic achievement in providing enough food and clothes for peasants in the traditional farming areas and enabling them to take the road leading to prosperity. In the course of the transformation, Anhui, as a traditional major agricultural province, has no other alternative but to endeavor to blaze the way leading to high yield and prosperity.

We must grab the opportunity to invigorate agriculture and bring prosperity to Anhui. This is precisely Anhui Governor Hui Liangyu's concept of agriculture.

#### Officials Seek Development of Stable Environment

OW1803132895 Beijing XINHUA in English 0908  
GMT 18 Mar 95

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—China will redouble efforts to build a more stable environment this year to facilitate healthy economic and social development.

This is an overall guideline of the central authorities as defined in Premier Li Peng's government work report, and it has got full support from the nearly 3,000 deputies attending the annual session of the National People's Congress.

The deputies and the top decision makers seem to have reached a common understanding that a relatively high development speed is necessary for China to March toward prosperity, but this speed must be based on economic and social stability, and otherwise, the reform beginning the late 1970s might be brought to a halfway stop.

Economic development with a 9 percent average annual growth rate since the early 1980s has uplifted the overall economic strength and people's living standards in a country with 1.2 billion people. But today, it has to face some thorny problems.

How to handle the relations between economic growth and inflation poses as a major problem for the government to tackle. In the past three years, China's national economy has been growing at a double-digit rate but the inflation rate shot up to 21.7 percent last year. Economic growth has reached the peak of its fourth circle of development in 16 years, economists conclude.

Past experience shows that stability in economy is the basis for social and political stability, and vice versa. A key factor to economic stability is a successful control of inflation, experts say.

The majority of the deputies attending the current NPC session agreed that to stimulate economic growth with inflation would be something like committing suicide. This understanding coincides with the conclusion of a national conference on economic work held last year and the opinions of many economists.

Hu Angang, a young economist, said that the central government should follow this principle: "Economic stability first, economic growth second."

Premier Li Peng listed inflation control in his government work report as a leading task for this year, putting the economic growth rate at eight to nine percent and the inflation rate at 15 percent.

To achieve the target, the central government will exercise relatively tight monetary and fiscal policies and strictly control the growth of fixed assets investment and consumption funds.

Observers note that the relatively tight policies will mainly focus on economic restructuring rather than just limiting money supply and budgetary expenditure, adding that they aim at a steady economic growth and a "soft landing" in controlling inflation to avoid big ups and downs in economic growth and inflation.

They say that this shows the government has become more experienced in the exploitation of the means of macro-control in the course of building a market economy.

China's high inflation rate was caused to a large degree by a supply shortage of farm products last year, and the problems of agriculture again became a hot issue at the current NPC session. Deputies repeatedly stressed the importance of grain production to the stability of a nation where the agricultural population accounts for 80 percent of the total.

However, different from past years, the deputies are paying more attention to a long-term development strategy. Government officials and deputies began to stress issues such as grain self-sufficiency by the turn of the century, maintaining a stable grain acreage and development of the rural economy.

Although inflation rose to a record high last year, the society remained stable. A sociologist pointed out that although prices rose, the average income of the people also increased, and this is "the utmost guarantee of social stability."

But this does not mean there is nothing more to do in maintaining social stability. Low-income families, workers in loss-making firms and pensioners are complaining of a drop in their living standard.

The government has taken note of this and decided that it will quicken the pace of reforms in State-owned enterprises, expand social securities coverage and readjust distribution mechanisms, which will prove to be a big help to these people.

Other factors affecting social stability including poor public order and corruption were given top concern among the deputies as well. The Government vowed to step up efforts to improve public security and punish corrupt officials. President Jiang Zemin described this fight as "a matter of life and death to the nation."

Observers point out that officials from the central government and the grassroots have had a deeper understanding of the importance of seeking development on the basis of stability. They also stressed the importance of keeping a cool head and scientific attitude toward China's development.

#### Reporter Comments on Beijing Mayor's Speech

SK2003015495 Beijing XINHUA Domestic Service in Chinese 1453 GMT 18 Mar 95

["Notes" by XINHUA reporter Xu Jiangshan (1776 3068 0810) on the Third Session of the Eighth National People's Congress and the Third Session of the Eighth National Committee of the Chinese People's Political Consultative Conference, entitled: "Enlightenment in Seeking a Target Position for the People of Beijing"]

[FBIS Translated Text] Beijing, 18 March (XINHUA)—The speech of Deputy Li Qiyuan, mayor of Beijing Municipality, made at a group meeting of the Third Session of the Eighth National People's Congress gave us food for thought. He said: As the capital of the country, Beijing should be the first to achieve in three service areas: Serving the central authorities' leadership over the work of the whole country, expanding domestic and international contacts, and serving the people of the whole municipality.

Some deputies maintained: Li Qiyuan's statement on the "three services" is a fundamental connotation of the awareness of the capital and accurately points to where the Beijing people should stand. The "three services" are decided by the basic functions of the capital as well as the duty-bound responsibility of the governments at various levels in Beijing Municipality.

Deputies said: Beijing's reform and modernization cannot be divorced from the guidance of the central departments or the vigorous support of the broad masses of the people for a minute. We should actively give advance notice to the central authorities and the departments concerned on all great matters relating to the capital's overall reform and development situation and conscientiously listen to the masses' opinions. Only by so doing will the governments be able to have a wide and solid foundation for their policy decisions, will the work in all aspects progress smoothly, and will we be able to make various achievements.

The people can benefit from seeking out where the Beijing people should stand: Accurately understanding ourselves is the prerequisite for achieving all aspects of work. As far as a province or a municipality is concerned, each and every locality has its own special

advantages and disadvantages. It is of extreme importance to proceed from reality to accurately find where we should stand in a situation where the people from higher levels downward quicken their pace in catching up with developed areas. We will certainly beat around the bush if we blindly imitate others.

#### XINHUA Cites Hong Kong Paper's Praise of NPC

OW1903114995 Beijing XINHUA in English 1113 GMT 19 Mar 95

[FBIS Transcribed Text] Hong Kong, March 19 (XINHUA)—Despite the closing of the third session of the Eighth National People's Congress (NPC) in Beijing on Saturday [18 March], the meeting still constitutes the headline stories in many newspapers published here today.

Analysts here pointed out that this reflects the growing concern of the Hong Kong people about things going on the Chinese mainland as the linkage between the two areas is becoming increasingly close in the run-up to 1997.

In a front-page commentary published here today, the Chinese language newspaper Hong Kong Commercial Daily hailed the two-week annual meeting of NPC as "a pragmatic, democratic and fruitful one."

It said that the government work report delivered by Chinese Premier Li Peng to this year's NPC is shorter in length but more substantial in contents.

The report, said the commentary, frankly admitted the shortcomings in the government work over the past year and also put forward a number of concrete solutions to the problems.

It said that all the important economic targets proposed in the government work report for 1995 including the gross domestic output and the inflation level are practical and scientific.

During the meeting, delegates freely expressed their views in group discussions and elections, many of their suggestions and proposals have been adopted by NPC, these demonstrated the democratic atmosphere of the meeting, said the commentary.

The commentary described the meeting as "very fruitful." It said that the passage of China's first Education Law and Banking Law at this year's NPC meeting have filled the vacuum in the country's educational and financial systems.

Another commentary carried in today's "Wen Wei Po" said that throughout this year's meeting of NPC, one can see that the makings of the delegates have improved as many of them are young and well-educated and their legislation and supervision abilities have increased.

The commentary said the Education Law and the Banking Law passed at the meeting will exert a decisive influence over the adjustment and control of the country's economy by the monetary means and running schools according to law.

It said that the shortcomings admitted by the government in its work have not influenced people's confidence in the administration, on the contrary, the distance between the people and the government has been shortened.

The democratic atmosphere formed at this year's NPC meeting is most likely to occupy an important position in the course of the construction of the socialist democracy in China, concluded the commentary.

#### **Newsletter on Hong Kong Reversion Countdown**

OW1703140295 Beijing XINHUA Domestic Service in Chinese 1043 GMT 16 Mar 95

["Newsletter" by XINHUA reporters Zhao Wei (6392 5898), and Li Nanling (2621 0589 3781): "Hong Kong's Reversion Countdown"]

[FBIS Translated Text] Beijing, 16 Mar (XINHUA)—Each day people are making mental calculations and eagerly anticipating the arrival of that day; and the huge countdown clock—which is located at the east side of Tiananmen Square and in front of the Historical Museum and the Museum of Revolutionary History—shows that the Chinese nation's century-old dream will become a reality and Hong Kong will begin a new historical era in only 838 days.

The huge countdown clock is ticking along with the pulses of the Chinese nation. Like all the Chinese people, the 6 million compatriots in Hong Kong are heading toward that day along with the beats of history. However, unlike other Chinese people, they will, with the support of the powerful motherland, be able to personally experience Hong Kong's reversion and administer this Oriental Pearl after its reversion.

#### **The Footsteps of History**

At a meeting with then British Prime Minister Mrs. Thatcher in September 1982, Comrade Deng Xiaoping officially stated that China would take back Hong Kong in 1997, and he also expounded for the first time the great concept of "one country, two systems."

In December 1984 the Chinese and British Governments officially signed the Sino-British Joint Declaration on Hong Kong. It was then that the transitional period for Hong Kong's return to the motherland started.

Ten years have gone by like a fleeting moment, and now Hong Kong is in the latter stage of the transitional period. When the Hong Kong deputies attending the Third Session of the Eighth National People's Congress [NPC] recalled the historical process over the 10-year

period, their confidence in Hong Kong's reversion to the motherland became even stronger.

Deputy Zeng Decheng, chief editor of the Hong Kong-based TA KUNG PAO, who personally witnessed the signing of the Sino-British Joint Declaration on Hong Kong at the Great Hall of the People, said: I was extremely excited at that time, and all the Hong Kong compatriots present on the occasion could hardly describe their excitement. We can also say that virtually all compatriots in Hong Kong were jubilant. When facing an issue concerning national interests, how could the traditionally patriotic Hong Kong compatriots help not be pleased when their ancestors' humiliations were vindicated by a strong motherland! Frankly speaking, of course, shortly after the signing of the Joint Declaration, many Hong Kong people were skeptical and worried about whether Hong Kong could maintain its prosperity; and the unprecedented "one country, two systems" concept also bewildered them.

Now 10 years have gone by, and unbiased Hong Kong people have discovered that Hong Kong, which has the motherland at its back, is just as prosperous as ever before, even though the British side has not been cooperative. The great "one country, two systems" concept—as the condensation of national wisdom and creativity, and because of the appeal deriving from its scientific pragmatism and broadminded tolerance—has become increasingly comprehensible among an increasing number of Hong Kong people over the last 10 years. Zhou Nan, director of the XINHUA Hong Kong Branch, noted that the Hong Kong compatriots have increasingly associated their fate and the motherland's future, and they have become more confident with Hong Kong's stable transition and with the "one country, two systems" concept. In recent years they have demonstrated their concern for Hong Kong affairs, have actively involved themselves in them in one way or another, and have been enthusiastically contributing their efforts to the preparations for the establishment of the Hong Kong Special Administration Region [HKSAR]. Currently, the ranks of patriots who love Hong Kong are expanding. More and more people in Hong Kong now support stronger communications and cooperation—not confrontation—between Hong Kong and the motherland; and they say that Hong Kong's stability must be safeguarded and not upset, and that Hong Kong's transition must be smooth and not be obstructed by manmade barriers.

#### **The Call of Tomorrow**

China's preparations for resuming sovereignty over Hong Kong have been proceeding firmly since the signing of the Sino-British Joint Declaration on Hong Kong. In April 1990, the Third Session of the Seventh National People's Congress adopted the HKSAR Basic Law. It took five years for this Basic Law to be drafted and ratified. If we compare Hong Kong to an edifice after it is returned to the motherland, then this Basic Law will be the cornerstone of this edifice.

Since the promulgation of the Basic Law, Hong Kong has entered the second half of the transitional period, during which the work of the Preliminary Work Committee [PWC] for the Preparatory Committee of the Hong Kong Special Administrative Region is becoming especially noticeable. Deputy Zeng Decheng was the initiator of the proposal on forming the PWC submitted to the NPC in 1993. He said: The proposal was accepted as soon as it was put forward and the PWC was set up in July 1993, with five subcommittees under it in charge of political affairs, legal affairs, economic affairs, society and security, and cultural affairs. The 69-member PWC, a working body authorized by the NPC, will do good preparatory work for the formation of the Preparatory Committee of the Hong Kong Special Administrative Region in 1996. Premier Li Peng pointed out in the government work report that the PWC in the past year "has done a tremendous job. The preparations for the establishment of the Hong Kong SAR are in full swing and are proceeding well." Facts prove that, while the British side refuses to cooperate, the establishment of the PWC has indeed given us the time and the initiative in the establishment of the Hong Kong Special Administrative Region. So far, the PWC subcommittees have adopted 11 proposals and plans concerning Hong Kong's reversion to the motherland, and will submit them to the Preparatory Committee in the future. The PWC will terminate its work by the end of 1995.

Li Weiting, an NPC deputy, PWC member, and assistant to the director of the Hong Kong Branch of XINHUA NEWS AGENCY, said: The PWC is merely a working body and its working principle is one of turning to the Hong Kong people and relying on the Hong Kong people. Since its establishment, the PWC has taken various actions to seek Hong Kong people's participation and listened to their opinions. The PWC has held a number of subcommittee meetings and topical symposiums in Hong Kong and has included a number of experienced Hong Kong people with specialized knowledge in its research groups. In addition, it has constantly held discussions with people of all walks of life in Hong Kong and handled Hong Kong people's written and verbal complaints. Its members are constantly providing personal counselling services to people in Hong Kong.

The vast number of Hong Kong compatriots are participating with greater and greater enthusiasm in Hong Kong's affairs during the second half of the transitional period. Many of them are taking the initiative in making suggestions and comments to the PWC concerning the transition and the transfer of government. Some mass organizations have held special joint meetings concerning the 1997 transition and set up committees for social affairs. The people who love China and Hong Kong are gathering and growing in strength during the course of participating in local political and social affairs.

### The Creators of Prosperity

Hong Kong is known as one of the four little dragons of Asia, with 1993 per-capita GDP of \$18,000, ranking eighth in the world and second in Asia, behind only Japan. According to statistics compiled by the Hong Kong Government, the total assets of Hong Kong's banks exceeded HK\$7.3 trillion in 1994; its 1994 foreign trade volume amounted to more than HK\$2.4 trillion and ranked 10th in the world; and the export trade volume ranked eighth in the world.

Who created the prosperity in Hong Kong? Some people say: "Hong Kong's prosperity today is China's compensation for British colonial rule." All NPC deputies from Hong Kong have unanimously refuted such a view as "extremely absurd and sheer nonsense." They said: It is for its own interest that Britain practices a "noninterventionist" economic policy in Hong Kong and builds the necessary infrastructure there. Although its doing so is conducive to Hong Kong's economy, we can't say that Hong Kong's achievements today are made by the colonial rule. Why do many other countries and regions which were under British colonial rule in the past remain backward and underdeveloped today? The deputies from Hong Kong believe that the most basic factor for Hong Kong's economic prosperity is the "China factor," and Hong Kong people's diligence and wisdom. Just as Deng Xiaoping has said, Hong Kong's prosperity has been created by the Hong Kong people, mainly the Chinese people, over last 100 years. A Hong Kong celebrity has asked the question—why are Britain's own economic growth rate and per-capita GDP lower than those of Hong Kong today?

In fact, Hong Kong's economic achievements and the resulting prosperity are due to the hard work, wisdom, and diligence of our compatriots in Hong Kong. Our compatriots in Hong Kong have created a brilliant Hong Kong today.

When holding talks with CPPCC members from Hong Kong and Macao recently, Comrade Li Ruihuan rightly said: The present prosperity in Hong Kong is created by the people of Hong Kong, with the Chinese people as the main body, and is the result of the diligence and hard work of our compatriots in Hong Kong. History will prove that the people in Hong Kong who have grasped their fate in their own hands will be capable of creating new miracles on this piece of land.

Some NPC deputies said that "social and economic system and ways of life will not change for 50 years," "a high degree of autonomy" and "letting Hong Kong people govern Hong Kong" are all important component parts of "one country, two systems." Now all things done by the central government in Hong Kong are to create conditions for ruling Hong Kong by the people in Hong Kong with the patriotic Chinese as the main body and for maintaining Hong Kong's prosperity and stability. They held that, in the course of China's resuming sovereignty over Hong Kong, the compatriots in Hong Kong

will become the historical practitioners of the grand design and scientific thesis of "one country, two system." With the support of the motherland, the 6 million Hong Kong compatriots will once again proudly prove to the world that the Chinese nation has its own wisdom, ability, and creativeness.

#### **The Powerful Backing**

The year 1997 is getting closer and closer, and the world is watching whether the Chinese people can turn the wonderful creation into reality and whether Hong Kong can maintain its prosperity after returning to China or not.

The deputies from Hong Kong have reached their own conclusion.

In their talks, almost all deputies mentioned the first factor for maintaining prosperity in Hong Kong after 1997: "The China factor." Deputy Huang Diyan said Hong Kong's back is the Chinese mainland, which is the largest market in the world. Economically, Hong Kong and the mainland are closely related, mutually dependent, and are complementary to each other. Reform and opening up on the mainland have brought unprecedented opportunities for Hong Kong. During the period, Hong Kong has been not only the largest investor and benefactor on the mainland, but also a bridge and springboard for international capital entering the Chinese market. In the first half of last year, the amount of Hong Kong's accumulated investment on the mainland reached \$47.5 billion, accounting for 62 percent of total investment on the mainland from the outside. In the total amount of Hong Kong's entrepot trade, 88 percent is related to the mainland. Further, as of the end of 1993, more than 80 percent of Hong Kong's manufacturing plants moved their production lines to areas in southern China, setting up some 30,000 plants and hiring more than 3 million workers on the mainland. The cheap land and labor costs on the mainland have greatly enhanced Hong Kong's competitive power in the international market, and helped promote Hong Kong's economic transition. A newspaper outside China simply described Hong Kong's economic prosperity as "made in China." Additionally, the Chinese-funded enterprises in Hong Kong have also made great developments in the past decade and more. Currently, the number of members of the Association of Chinese-Funded Enterprises has reached some 1,000, and there are also several hundred Chinese-funded enterprises which are not members of the association. All those companies have made investments in various fields and have occupied a certain portion of the market. At present, the accumulated amount of investment of Chinese-funded enterprises in Hong Kong has exceeded 150 billion Hong Kong dollars, ranking second in Hong Kong's outside investment.

Moreover, now the drinking water used by compatriots in Hong Kong is mainly from the mainland and most of the supplementary food products such as vegetables, meat, poultry, and eggs are also from the mainland.

The reform, opening up, and economic development on the mainland have guaranteed Hong Kong's economic growth, prosperity, and stability. Economically, the motherland and Hong Kong benefit each other and are inseparable. This has become a fact without argument.

Despite the fact that a large number of Chinese-funded enterprises have entered Hong Kong, the social and economic system in Hong Kong have not changed. Deputy Zhou Nan said: The implementation of "one country, two systems" will only further strengthen cooperation between Hong Kong and the mainland on a mutually beneficial basis. Hong Kong's economic system has its special characteristics and is indispensable in ensuring Hong Kong's long-term prosperity and development. Not changing Hong Kong's existing social and economic system has been specifically written down in detail in the Basic Law and there will be no doubt about this. Practice will prove that Comrade Deng Xiaoping's creative concept of "one country, two systems" will be fully implemented. All those who doubt about this will certainly change their viewpoint in the face of fact.

The Chinese people will use facts to tell the world: Hong Kong has the motherland as its powerful backer, and the motherland is the guarantee for Hong Kong's long-term prosperity.

In Beijing, people have gone to Tiananmen Square to attentively watch the large countdown clock. In Hong Kong, countdown clocks and watches have emerged to meet the need. Whether in Hong Kong or in Beijing, and whether large clocks or watches, they have been set on the same time with units divided into minutes and seconds. The Chinese nation is reminding itself, and at the same time tells people in the world: The countdown for the return of Hong Kong to the motherland has started.

#### **'Commentary' Stresses Responsibility to People**

OW1903143595 Beijing XINHUA Domestic Service in Chinese 0150 GMT 17 Mar 95

["Commentary on the Two Sessions" by XINHUA reporters Yu Shaoliang (0060 4801 5328) and Liu Guangniu (0491 0342 3662): "Be Responsible Toward the People"]

[FBIS Translated Text] Beijing, 17 Mar (XINHUA)—Doing everything for people's sake, relying on people in everything we do, advising people of our real intentions, and holding ourselves responsible toward people—these are the common experiences gained by deputies from their attendance the Third Session of the Eighth National People's Congress [NPC]. Deputies said that this attitude of being responsible toward people is an important guarantee for the success of our grand cause of reform.

Many deputies noted that the greatest feature of this year's government work report is striving for truth and dealing with concrete matters. Instead of masking or

eschewing difficulties and problems that exist in our work, the report realistically sets them forth before NPC deputies.

Deputies said: Being responsible toward people is to have full faith in people, share weal and woe with them, and treat them with all sincerity. This approach will help gain people's understanding, trust, and support, and will encourage people to conceive ways and ideas for weathering difficulties together. Many deputies stated that the government work report's objective analysis of last year's excessive price increases has elicited enthusiastic responses from within and outside the session. Deputies said: The premier spoke frankly. We believe the state will find a way to solve this problem properly.

To be responsible toward people, leading cadres at all levels must adhere to the goal of serving people, always keep people's interests in mind, and do more practical things. We should regard people's satisfaction, happiness, and acceptance as an important criterion for evaluating performance.

Deputies said: Our country is currently at a major historic moment of reform and development. Difficulties and contradictions are inevitable, as are inadequacies in our work. Nevertheless, as long as governments at all levels think about people's interests in everything they do, value these interests above everything else, proceed from solicitously solving people's problems in their work, go deep into the realities of life, establish contacts with people, act in a down-to-earth manner, and not engage in empty talk, they can surmount difficulties and solve problems one by one, and constantly push our undertakings forward.

#### **XINHUA Reports on Use of Technology at NPC Session**

*OW1703145195 Beijing XINHUA in English 1420  
GMT 17 Mar 95*

["Views of 2,757 Deputies Shown up in Three Minutes—Advanced Technology Improves NPC Work Efficiency"]

[FBIS Transcribed Text] Beijing, March 17 (XINHUA)—A total of 2,757 National People's Congress (NPC) deputies gathered in the Great Hall of the People at 9:00 AM today to vote on the appointment of two new vice-premiers of the State Council.

In front of every deputy, a voting machine with a black cover was on, with three buttons of different colors marked to represent the choices of approval, opposition or abstention.

At 9:07 Tian Jiyun, executive chairman of the NPC meeting, asked the deputies to start voting on the appointments. Deputies pressed the voting machines to indicate their attitudes. Almost at the same time, the voting results appeared on the large display screens on

both sides of the rostrum. The two rounds of voting on the two appointments took just three minutes.

Tian twice announced "approved." With this, the appointments of Wu Bangguo and Jiang Chunyun became valid, and they became new vice-premiers amid the applause of the deputies.

Shen Jilan, who has been a deputy from the First to the Eighth NPC, remarked, "Pressing the voting machine is really time-saving than casting votes."

Ma Pingyi, director of the Electronics Equipment Plant in Xian, Shaanxi Province, said, "We did not have the slightest hesitancy when pressing the voting machines, because the list of nominees had been deliberated carefully among us deputies over the past few days."

Zhong Jixue, who has been a three-time deputy to the NPC, said that the change from voting by a show of hand to the use of voting machines means a great technological improvement, and it carries a greater significance than it seems.

According to Zhong, the advantages of the voting machine are characterized by "promptness, accuracy and confidential nature of voting."

Zhang Youpeng, an official of the NPC Standing Committee who is charge of technology and equipment, said that the NPC, China's top legislature, has been trying to improve the efficiency in the process of democratic policy making.

"The use of the voting machine is just part of the efforts of the NPC and its Standing Committee to promote democracy by using modern science and technology," he said.

In the entrance to the Eastern Gate of the Great Hall of the People stand six rows of 18 computerized state-of-art counters. As soon as deputies insert their identification cards into the counters, the large screen inside the gate will automatically display the number of deputies registered.

On the southwestern side of the lounge on the first floor of the Great Hall of the People, a dozen computers provide consultancy services concerning national and local laws and regulations, decisions and regulations of the central and local governments, and economic data about China and other countries.

During the current annual NPC session, an estimated 500 deputies seek consultancy every day. A simultaneous translation system for languages of seven ethnic minority groups has been installed in the Great Hall of the People.

Modern technical means are now in wide use in the day-to-day work of the NPC and its Standing Committee. Computers in all NPC Standing Committee offices have been connected. Computerized registration of letters, and proposals and motions from deputies has been operational.

Having visited offices of their Chinese colleagues, many members of foreign parliaments spoke highly of the progress in office automation in the NPC.

Zhang Youpeng said that the NPC has already connected its computer network with those of 15 provincial people's congresses.

The NPC will connect its network with those of all other provincial, municipal and autonomous regional people's congresses this year, he added.

Furthermore, the NPC Standing Committee plans to set up an information center, which will open part of its information to the public.

The Chinese top legislature is also making preparations for connecting its information network with those of foreign parliaments, so as to facilitate exchanges and cooperation.

### CPPCC

#### CPPCC Elects 5 Hong Kong, Macao Committee Members

HK2003105195 Beijing ZHONGGUO XINWEN SHE in Chinese 1208 GMT 25 Feb 95

[By reporter Zhao Haiyan (6392 3189 3601): "Five People From Hong Kong and Macao Are Elected Members of the CPPCC National Committee"]

[FBIS Translated Text] Beijing, 25 Feb (ZHONGGUO XINWEN SHE)—Five persons from the Hong Kong and Macao regions, together with 19 other persons, were elected new members of the National Committee of the Eighth Chinese People's Political Consultative Conference [CPPCC] this morning by the Third Session of the Eighth CPPCC National Committee, after being examined and approved by the 10th meeting of the Standing Committee of the Eighth CPPCC National Committee.

These five members from the Hong Kong and Macao regions are:

Ng Wing-ke [0702 2837 1870], general manager of Log Ki Hang Company, Ltd. in Macao, president of Macao Chamber of Importers and Exporters, member of Macao's legislative assembly, and deputy director of the Macao Basic Law Promotion Society.

Yu Shen [0151 8590], professor of mathematics at Hong Kong Polytechnic University.

Chao Han-chung [6392 3352 6945], chairman of the board of directors of the Guanghai Group in Hong Kong.

Kwok Ping-shuang [6753 3521 3276], president and chief executive officer of Sun Hung Kei Property Development Company, Ltd. in Hong Kong, and Hong Kong affairs adviser.

Leung Shou-chen [2733 4423 3791] (female), general secretary of the Charity Club of Hospital Kiang Vu in Macao and head of Hospital Kiang Vu.

### Political & Social

#### Jiang Zemin, Li Peng Address Family Planning Meeting

OW1903150395 Beijing XINHUA in English 1411 GMT 19 Mar 95

[FBIS Transcribed Text] Beijing, March 19 (XINHUA)—"It is still an ardent task for China to bring its population under control and under no circumstances should we slacken in our work of family planning," said Chinese President Jiang Zemin here Saturday [18 March].

Jiang, who is also General Secretary of the Communist Party of China (CPC) Central Committee, made the remarks at a national meeting on family planning Saturday, the fifth of its kind called by the CPC Central Committee and the State Council, the highest governing body of China.

China is facing many new problems in the question of population and in the work of family planning under the present new situation of establishing a socialist market economy, the Chinese leader said, stressing that continued efforts must be made to effectively and reasonably control the growth of the country's population so as to create a more favorable population environment for a sustained economic and social development of China.

China's population reached 1.2 billion on February 15 and will be controlled under 1.294 billion by the end of this century as predicted by officials and scholars.

Jiang said leading officials at various levels should be prepared for a long period of hard work and know the difficulties and do a solid work in the family planning.

During the meeting, which was attended by other senior Chinese leaders, namely Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing and Hu Jintao, Peng Peiyun, State Council and minister in charge of the State Family planning Commission, gave a briefing on China's current population situation followed by those in three provinces, Jilin, Sichuan and Hubei.

Jiang spoke highly of local governments' work in population planning.

"China's achievements in population control are universally acknowledged throughout the world," he said. However, both the population base number and the absolute number of new born population are very big in China.

"The low birth rate is not yet stable. Family planning work differs greatly from region to region," he continued.

"Fundamentally speaking, China's population question is an issue of development," Jiang said, adding that a large number of issues in China's economic and social development such as food, employment, education, resources, environmental pollution, ecological imbalance are directly connected with large population base number and fast growth rate.

"It would be very difficult for China to achieve a sustained, fast and healthy national economic development and overall social progress without a reasonable control of the population growth and without a coordinate growth of population and the economy and resources, socials and environment progress," the Chinese president said.

Party committees and governments at various levels, especially the top leading officials, should realize the pressing importance of population control to an overall and strategic level and should put population and development on the top of their agenda, Jiang said.

Jiang said the focus and the difficulties in China's family planning work are in rural China, which, he said, calls for the guiding role of rural party organizations and the exemplary role of the individual party members there.

He also stressed the work of women who, he said, have the dual responsibilities of social production and reproduction of the mankind. It is an important condition for women's liberation to practise family planning as they can then be free from the heavy burdens of too many births and too much time dedicated to caring for their children, he said.

Chinese women have become an important force in the country's political, economic and social spheres, illustrating a tremendous progress in the history of growth of women, Jiang concluded.

Speaking at the meeting, Chinese Premier Li Peng said China's current policy on family planning and birth control will remain unchanged.

He urged local leading officials to consider everything from the condition that China's population has reached 1.2 billion. "This basic state of situation has decided that China's population has to be brought under control," he said.

He said China will map out a population development plan while drafting the Ninth Five-year Plan of national economic and social development as well as planning for the years before 2010. Population planning is an important part of the entire national economic and social development plans as many of the indicators must be counted on population scale.

Speaking of the family planning in rural China, he said it is an excellent experiment to integrate family planning with rural economic development, the prosperity of local farmers and the building of civilized and happy families.

Population control and family planning is a systematic social project as it touches upon many aspects of economic and social life, the premier said, calling for the joint efforts of different government departments and the entire society.

Li Peng urged different departments and social organizations to draft their concrete plans in family planning under the unified guidance of local party and government departments.

He also stressed the importance of family planning among China's vast number of migrant workers who have left farmland to work in cities. He promised to increase investment in the family planning work according to the actual needs and the country's financial strength.

### Song Jian Greets Patent Exhibition in Beijing

OW1903143695 Beijing XINHUA Domestic Service in Chinese 1010 GMT 17 Mar 95

[By reporter Feng Yingbing (7458 3841 0393)]

[FBIS Translated Text] Beijing, 17 Mar (XINHUA)—An exhibition that opened in Beijing today regarding China's achievements in patent protection over the past 10 years shows that since 1 April 1985, when the "Patent Law of the People's Republic of China" took effect, China has followed the same course that took industrialized countries as many as 100 years to follow, and has established a patent system that possesses Chinese characteristics and follows the trend of developments in international patent protection.

Song Jian, state councilor and minister in charge of the State Science and Technology Commission, sent a congratulatory message to the exhibition. On behalf of the State Council, he extended his warm congratulations on the achievements scored in patent work over the past 10 years. He said: Amid the tide of reform and opening up over the past 10 years, our country's patent undertakings have started from scratch, expanded, and evolved rapidly, making important contributions to fully establishing and implementing an institutional property rights protection system. Song Jian pointed out: The establishment of the patent system, as a great achievement in reform and opening up, has brought exuberant vitality to our country's socialist modernization drive.

It is reported that in a short span of 10 years, our country's patent undertakings have yielded achievements that have attracted international attention:

—The "Patent Law" has been improved gradually during the course of implementation. Besides fulfilling the requirements for China's program of reform and opening up, and for the development of the socialist market economy, several aspects of the law—the scope, period, and degree of patent protection—have

basically reached the standards of industrialized countries and converged with international patent-protection standards.

- Through learning on the job, relevant personnel of high caliber that satisfy the requirements of patent work—personnel that were nonexistent in the first place—have been trained in a step-by-step manner. A set of scientific rules and procedures has been established. Moreover, a national patent network, with the China Patent Office as the core, and encompassing patent administrative organs, patent agencies, patent archival service organizations, and grass-roots patent organizations, has taken shape.
- Implementation of the "Patent Law" has greatly inspired the initiative of scientific and technological personnel, as well as that of the public, in inventing and creating things. Over the past 10 years, patent applications and approvals have continued to grow at an average annual rate of some 22 percent. By the end of February 1994, the numbers of patent applications and approvals had exceeded 440,000 and 220,000, respectively, and 84 countries and regions had filed patent applications with China, accounting for some 14 percent of the total number of applications. Last year, the China Patent Office accepted more than 77,000 domestic and foreign patent applications, landing China in 10th place or thereabouts in the world in terms of the number of patent applications filed in a single year.
- A patent protection system—characterized by cooperation and coordination among patent administrative organs, organs charged with enforcing patent administrative laws, and people's courts that handle patent-related judicial affairs—has been established. Over the past 10 years, patent administrative organs and people's courts have handled some 5,000 cases involving patent disputes, concluding the trials of 80 percent of them. They have effectively protected the legitimate rights and interests of Chinese and foreign patentees.
- Under the protection of the Patent Law, patented technologies have been applied effectively and have generated remarkable economic returns. According to preliminary statistics, 95 patented technologies for which China granted gold patent awards or outstanding patent awards in 1993 have generated 9.1 billion yuan in output value, 1.77 billion yuan in profits and taxes, and \$190 million in foreign exchange earnings. Patented technologies—the latest inventions and creations over which patentees hold proprietary rights for a certain period—are gaining currency with more and more enterprises. Patent work is also playing an increasingly important role in exports and imports in the economic and technological fields.
- China successively acceded to the "Paris Convention on the Protection of Industrial Property" and the World Intellectual Property Organization. The China

Patent Office has carried out extensive cooperation and exchanges with the European Patent Office; patent offices in more than 20 countries, including Germany, France, Japan, Austria, and Sweden; and two international organizations. Moreover, China has joined the Patent Cooperation Treaty and officially become its member. The China Patent Office serves as a bureau that accepts international patent applications, and a unit that conducts international patent searches and preliminary reviews of international patent applications. The Chinese language has become one of the official working languages of the Patent Cooperation Treaty.

Besides showcasing various achievements in patent work throughout the country, the exhibition sponsored by the China Patent Office also displays more than 3,000 patented technologies of high technological standards that have generated good social and economic returns.

**State Councillor Luo Gan Tours Henan 27 Feb-2 Mar**  
*HK2003095195 Beijing XINHUA Domestic Service in Chinese 1353 GMT 2 Mar 95*

[By correspondent Cheng Honggen (4453 4767 2704):  
"Luo Gan Conducts Inspection Tour of Henan"]

[FBIS Translated Text] Zhengzhou, 2 Mar (XINHUA)—Luo Gan, state councillor and State Council general secretary, made an inspection tour of Henan from 27 February to 2 March, during which he visited grass-roots units to find out how the principles and policies of the Central Committee and State Council were being implemented, listened to a broad spectrum of views and various opinions and recommendations from cadres at all ranks and the masses, and gave his views on problems related to our country's current economic and social development.

During the inspection, Luo Gan traveled to Zhengzhou and Kaifeng Cities and Luohe County, visited villages, enterprises, market fairs, and research institutes, toured the Zhengzhou Commodity Exchange and an advanced new technology and production development zone. He gave his regards to political and legal affairs cadres and police officers. In each place he visited, Comrade Luo Gan would invariably ask for details on the implementation of central policies and would exchange views fully with cadres and people.

Luo Gan, said: Henan's rapid economic and social growth is the result of concerted, genuine, and practical efforts of the masses under the leadership of cadres of all ranks, resolute implementation of the principles and policies of the Central Committee and State Council, and upholding of reform and opening up.

Luo Gan pointed out: Deepening reforms and expanding opening up require a good infrastructure to provide support. In recent years, Henan has greatly strengthened its energy, transport, and communications infrastructure with a range of projects in these areas. Its investment

environment is improving. These are the preconditions and the foundation for expanding opening up and attracting foreign investment, as well as key guarantees for achieving rapid and sustained economic development.

On agriculture and rural work, Luo Gan said: Henan is an agricultural province; agriculture and rural work are vital to the province. The central rural work conference has just ended. It is hoped that localities will implement the conference's decisions. Localities must genuinely strengthen agriculture as the foundation of the national economy and do their best to increase grain and cotton yields and raise peasants' income. They should also energetically develop township and town enterprises to boost the rural economy.

On social law and order and maintaining stability, Luo Gan stressed that localities must boost the comprehensive treatment of social law and order and correctly handle various contradictions. He encouraged police officers and political and legal affair cadres of all ranks to keep up the good work and make greater contributions to maintaining long-term law and order in society.

#### **State Begins Market Inspection of Electrical Products**

*HK1903052595 Beijing CHINA DAILY in English 18 Mar 95 p 2*

[By Ma Zhiping: "Electrical Gear To Be Inspected"]

[FBIS Transcribed Text] The State has begun market inspections of eight kinds of electrical products—including televisions, refrigerators, air conditioners and tape recorders—which can pose hazards to consumers.

Initial market inspections in big cities such as Beijing, Tianjin and Chengdu have found that most domestically made electrical products have safety certification marks, but a number of imported ones have failed to provide the labels required by the State.

In Beijing, a local technical supervision office recently sealed up about 150 foreign TV sets for sale at the city's markets because they lacked the required certified safety mark.

The internationally recognized safety mark is a green circle with a sign symbolizing the Great Wall in it.

The markets have been fined and the sealed-up products can be sold again only after the retailers present official examination reports showing that the products are safe, said a report from the State Technical Supervision Bureau (STSB), the governmental body that administers national technical and quality control.

Because many electrical products, both Chinese and foreign, had serious quality problems and caused grave accidents, China issued in 1992 a circular requiring safety certification labels.

Market supervision and sample inspections conducted in some cities before the issue of the circular found that less than 10 per cent of the imported electrical products were up to the standard.

Eight kinds of electrical products including low-pressure electrical appliances, wires and cables, electrical devices and equipment, alternating current arc welding devices, refrigerators, air-conditioners, TV sets and tape recorders which already had a safety certification system, were designated as the first group for special safety certification two years earlier.

The State circular, which went into force on September 5 last year, gave manufacturers and markets two years to comply.

"To introduce compulsory supervision control of certain electrical products with safety marks is completely in line with State law and regulations and commonly accepted international trade practices," said an official with STSB.

"The compulsory supervision control system, which is a uniform treatment to both Chinese and foreign manufacturers, is an effective way to allow Chinese producers to compete equally with their foreign counterparts," said the official.

#### **Administrative Enforcement of Patent Law Intensified**

*HK2003105095 Beijing RENMIN RIBAO in Chinese 28 Feb 95 p 5*

[By reporters Jiang Jianke (5592 1696 4430) and Li Dejin (2621 1795 6855): "China Intensifies Administrative Enforcement of the Patent Law"]

[FBIS Translated Text] Taking better protection as a point of breakthrough, the State Patent Bureau has intensified administrative enforcement of the patent law, paving the way for effectively resolving a large number of patent disputes under the coordination of patent affairs organs and preventing them from going through judicial procedures. This has been well received by the vast numbers of patent right owners and inventors.

According to Gao Lulin, director of the State Patent Bureau, in light of its national conditions, China has adopted a system of the coordinated application of two avenues, i.e. judicial and administrative enforcements. This is a pioneering undertaking in the world and is a distinguishing feature of China's patent system. China's patent system has not only provided a judicial avenue for resolving patent disputes basically identical to those in many developed countries, but also added an option, namely, the parties concerned may ask the relevant patent affairs organ to mediate. If one of the parties refuses to obey the administrative ruling, the party concerned may reactivate the judicial procedure. In 1992, when amending the patent law, the National

People's Congress Standing Committee not only retained this practice but also granted the administrative authorities for patent affairs the function of investigating and punishing patent infringement conduct.

Since the implementation of the patent law a decade ago, with the support of the people's courts, the administrative authorities for patent affairs have scored great successes. According to statistics compiled from 37 local administrative organs for patent affairs, by the end of October 1994, the patent affairs organs had accepted and heard 2,305 patent dispute cases, of which 2,021 had been closed. This represents a case-settling rate of over 87 percent.

Gao Lulin pointed out: Although the socialist market economic structure has been established and gradually improved in China, we have not completely met the development needs of the situation regarding administrative enforcement of the patent law and patent protection as a whole. This finds expression in the ineffective punishment of some serious copyright infringement conduct, the long time it takes to deal with and hear patent disputes, and the existence of local protectionism in some places. With the rapid increase in the number of patent applications, especially patent licenses, it is inevitable that people will pay more attention to using patent protection to gain an advantage in market competition, applying such methods as cancellation and nullification to carry out patent competition. Meanwhile, the number of disputes involving foreign patents will also increase gradually. The effectiveness of patent protection will certainly affect the degree and scope of foreign investors' participation in the Chinese economy.

Consequently, the State Patent Bureau will adopt the following measures to intensify law enforcement: Increasing administrative punishment measures against patent infringement conduct; increasing administrative punishment means against conduct of faking other people's patents; further strengthening law-enforcement measures to ensure administrative enforcement of the patent law by the administrative authorities for patent affairs; adjusting the relationship between the handling of copyright infringement disputes and the procedures for announcing invalid patents to quicken the speed with which the administrative authorities for patent affairs handle patent infringement disputes; and expanding the scope of cases to be heard by the administrative authorities for patent affairs regarding administrative enforcement of the patent law.

Gao Lulin stressed: In the course of handling patent disputes, it is necessary to adhere to the principle of combining "handling" with "mediation" and to urge the interested parties to compromise and even to cooperate. He also hoped that all local governments would strengthen leadership over administrative enforcement of the patent law in order to create the necessary conditions for the patent affairs organs to step up administrative enforcement of the law.

### Anticorruption Campaign Targets Local Officials

HK2003064095 Hong Kong HONGKONG STANDARD in English 20 Mar 95 pp 1, 2

[By Amy Liu in Beijing]

[FBIS Transcribed Text] Senior officials working in their own cities and provinces are the latest target of Beijing's drive against regionalism and rampant corruption. Beijing has already tried to sift out native-born cadres in counties and now they are aiming at provincial and municipal governments, according to senior officials.

Though described by officials as an effort to fight corruption, the move is the latest bid by the leadership under party head and president Jiang Zemin to strengthen central authority over localities in the face of paramount leader Deng Xiaoping's demise.

Party secretary of Shanxi, Hu Fuguo, said the province had applied the rule of banning native cadres from holding key positions to all local government departments, saying it was the most effective way to fight corruption. Municipal governments were using the principle of appointing non-native born officials to fill top positions, such as party chiefs and mayors, Mr Hu said.

China's Minister of Supervision Cao Qingze said native-born officials had stood in the way of investigations into corruption cases throughout the country. China last year had to reprimand the largest number of government and judicial officials ever—at 4,007, a 50 per cent increase over the previous year. The officials were found to have violated laws for the benefit of relatives or friends. And now China was stepping up its efforts to transfer officials away from their hometowns and cities, Mr Cao said, adding that this had proven effective to root out corruption.

"About two-thirds of counties throughout China have already appointed non-local born officials to hold the high positions," Mr Cao told the HONGKONG STANDARD, adding the actions were also taken on provincial and municipal government levels. He said local officials holding key positions, such as party chiefs and magistrates, could easily create complicated relation networks within their jurisdiction areas, making corruption that much easier.

The Governor of Guizhou, Chen Shineng, said it was common for nonlocal officials to hold provincial positions. "Like me, I am from Beijing," Mr Chen, who has been governor for two years, said. Mr Chen said the rotation system for senior cadres would also help economic development. However, Mr Chen said that in his province, the rotation system was only put in place when it was "necessary". "We usually use native-born officials as heads of administration of the self-autonomous regions or counties," Mr Chen said, stressing that they would aim to avoid minority conflicts.

In the southwestern province of Sichuan, only about one-fourth of counties had their high posts filled by

non-locals, said the governor of the province, Xiao Yang. Confirming the province was conducting a pilot experiment in which native sons are barred from holding key positions, the governor said it was "a complicated task" to implement the system. The STANDARD earlier revealed that a radical restructuring of the bureaucratic system would eventually exclude local cadres from key positions in regional authorities. Mr Xiao added some officials were reluctant to leave their homeland counties if their families were not able to accompany them. "The system is very effective in preventing officials from using their positions to enhance personal interests," Mr Xiao said, adding that cadres heading powerful government departments, such as public security, have been the chief targets for removal.

### **New Education Law To Tackle Funding Problems**

*HK2003062395 Beijing CHINA DAILY in English 20 Mar 95 p 4*

[By Zhang Xia: "Education Law Tackles Underfunding Problem"]

[FBIS Transcribed Text] Investment in education is expected to be better provided for by the newly promulgated Education Law.

The law, which was approved two days ago on the final day of the National People's Congress (NPC), stipulates that the State should give priority to the development of education.

Underfunding has always been the biggest obstacle to education's further progress. To address this problem, 13 of the new law's 84 articles are related to financial input.

China's funding of primary education accounts for less than 1 per cent of the world's total. Yet the country's primary schools, however, provide initial education to 20 per cent of the world's primary school students.

Last year, expenditure on education accounted for only 2.66 per cent of the gross national product (GNP), 1.44 percentage points lower than the average for developing countries.

The effective implementation of the Education Law therefore, to a great extent, lies in the ability of government to allocate necessary funds to education, some NPC deputies said.

The Education Law stipulates that the growth of government allocation to education should outpace that of the regular financial revenue.

The Ministry of Finance disclosed that the central financial revenue is expected to increase by 9.9 per cent this year while expenditure is expected to reach 9.3 per cent. The expenditure on education will grow by 13 per cent. This budgeting shows the State's determination to promote education.

In a programme for China's educational reform and development, it was stipulated that by the end of this century, the State expenditure on education should account for 4 per cent of the gross domestic product (GDP).

Some NPC deputies proposed that an exact input ratio should be written into the law. It was a hotly-debated suggestion at the session.

Hu Wenbin, an official from the State Education Commission (SEC), who had participated in the drafting of the law, said that it was better not to make specific stipulations in the law in light of China's condition.

In poverty-stricken areas, even though the proportion of expenditure on education is much higher than the proposed 4-percent rate, the actual money allocated is still far from meeting real needs. Furthermore, the relevance of an exact figure tends to change easily—inflation is one consideration—and it is impractical to regularly amend statute law.

To explore more sources for the education fund, the law stipulates that apart from the education surtax collected by taxation departments, local governments may collect other educational surcharges to be used exclusively for education. The right, however, is only given to governments at provincial level, the law says.

To improve education in rural areas, township governments, with the approval of the county-level governments, shall be allowed to raise funds for education. The money should be channelled towards the renovation and repair of dangerous classrooms and for the construction of new school buildings.

The law also makes it possible to use loans and other financial means of credit to support educational development. According to Hu, the SEC, the Ministry of Finance and the State Planning Commission have jointly initiated an education investment and trust company.

The law also permits Sino-foreign co-operations to run schools providing they abide by China's laws and regulations.

Non-State-owned schools are encouraged to be established, but they should not be founded for profit-making purposes.

In the last two years, paying salaries to teachers on time has been a problem. The law stipulates that administrative sanctions will be imposed on those who divert education funds allocated for salaries to other purposes.

The law sets a goal of establishing a life-long educational system to meet the needs of economic development. Enterprises and other institutions should create conditions for their employees to receive education and training.

The drafting of the Education Law began a decade ago in 1985.

**Guangdong Detains Two Hong Kong Missionaries**  
*HK1903072495 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 19 Mar 95 p 4*

[By Billy Wong Wai-Yuk]

[FBIS Transcribed Text] Two Hong Kong missionaries are due to return home today after being held in Guangdong province with a Guangzhou Christian in what is believed to be part of China's crackdown on underground religious movements. The trio are understood to have been released at 10 pm after being detained for five hours yesterday.

The two Hong Kong-based men, John Short and Fung Sun-wah, were detained with Li Dexian after they went to the mainland to check on friends who had been arrested in previous raid. Mr Li had been arrested and allegedly beaten during an earlier raid on an unregistered church in a house in Hua Du, 50 kilometres from Guangzhou. Mr Short's wife, Karen, said last night Mr Li and Mr Fung were struck by police officers when they resisted arrest yesterday.

In the earlier incident on February 18, scores of followers, including Mr Li, were dragged away from the church by the police and told not to return. Bibles, preaching notes, a television and their bicycles were confiscated, and all were told they would lose their state employment benefits as a result of their activities.

Mrs Short said her husband informed her that Mr Li, a leading figure in the village church, was taken to a police station where Public Security Bureau officers allegedly kicked him until he vomited blood. She said her husband and Mr Fung made the trip to see Mr Li, having arranged to meet him at noon. "But my husband phoned me at about 6 pm and whispered that they were under custody in Hua Du," Mrs Short said. Her husband's short account did not mention the reason for their arrests.

Noting the arrests, Anthony Chiu Sin-wing of the Christians for Hong Kong Society said last night: "The Chinese authorities have tightened their control on religious believers after the June 4 crackdown for fear it will influence people's thinking."

In 1991, the central authorities announced new legislation requiring all religious premises to register with the Bureau of Religious Affairs. As a result, churches split into officially permitted groups and underground organisations.

**Dissident Movement Taps Into Internet**

*HK1903072995 Hong Kong SUNDAY HONGKONG STANDARD in English 19 Mar 95 p 1*

[Exclusive: By Michael Wong]

[FBIS Transcribed Text] The Chinese dissident movement has moved beyond the reach of the mainland government by launching itself on a global scale onto the

Internet communications network. Dissidents are using the Internet to voice criticism of the mainland government and get information on politics and human rights into and out of China. Human rights and student groups told the Sunday Hongkong Standard the Internet was now a "major vehicle" for getting messages and information into China.

Xiao Qiang, executive director of the United States-based Human Rights In China, said critical messages about Chinese politics are being read by mainland people on the Internet every day without any possible restrictions from the government. "Open access to almost anything on the Internet is part of the system-you can't stop it," Mr Xiao said. "We definitely hope that the human rights condition will improve after people in China read our messages on the Internet."

The president of the Independent Federation of Chinese Students and Scholars (IFCSS), Luo Ning, said the Internet forms the communication backbone of Chinese students worldwide, including exiled dissidents from the 1989 Tiananmen Square crackdown. The IFCSS was set up around the time of the crackdown and now has access to an estimated 70,000 overseas Chinese students and scholars who are hooked into the Internet.

The group has been using the Internet to co-ordinate the efforts of overseas and exiled Chinese students to promote democracy in China, including the campaign by Feng Zongde, husband of Chai Ling, the blacklisted dissident and former student leader who escaped from China to the US after June 1989. "The Internet is our main communication channel," Mr Luo said. "As a matter of fact, IFCSS's foundation was possible because of the Internet," he said. "Now we conduct meetings and maintain communication mostly on the Internet by E-mail. "Students of a science academy in China recently found out about IFCSS through World Wide Web on the Internet," Mr Luo said. "If they (people in China) are looking for the information, there is no problem for them in finding anything out."

University of Hong Kong academic and Internet user Joe Lau said the system provides "a much faster and convenient way for the underground groups to organise activities". "Chinese people can now, on the Internet, read magazines and articles that can't be found in the mainland," he said. Mr Lau said the Internet had a double impact on China. "It allows Internet users to obtain reading material that usually cannot be found in China," he said. "It also provides a much faster and convenient means of communication." Another characteristic of the Internet is that users are able to send anonymous messages.

The Sunday Hongkong Standard has monitored hundreds of messages in the Internet newsgroup called "soc.culture.china", a scene of heated political debate among Chinese dissidents, students and intellectuals. One Internet debate was between a pro-Deng Xiaoping

scholar and an anti-Deng activist involving an accusation that Chinese President Jiang Zemin was a "crack-down pioneer" in the Tiananmen incident in 1989, and that "the real murderer of 6.4 (4 June) is Chairman Mao".

### Military

#### Beijing Holds Militia, Reserve Service Work Meeting

SK1803053895 Beijing BEIJING RIBAO in Chinese 26 Feb 95 p 1

[FBIS Translated Text] A few days ago, the municipal party committee and government and the Beijing Garrison held a meeting on militia and reserve service work. The meeting summarized last year's municipal militia and reserve service work, commended a number of advanced units and individuals, and came up with this year's work tasks. Chen Guangwen, deputy secretary of the municipal party committee, Meng Xuenong, vice mayor, Liu Fengjun, commander of the Beijing Garrison, and Yang Huichuan, political commissar of the Beijing Garrison, and leaders of relevant departments attended the meeting. The meeting called on party committees and governments at all levels to fully understand the status and role of militia and reserve service work from the perspective of the strategic overall situation and enhance the sense of honor and responsibility of making this work a success; cope with the new situation, realistically change leadership work style, and exert efforts to firmly implement it; pay attention to grasping the building of party committees and leading bodies of the district and county armed forces departments, give fully play to the exemplary and leading role of militia and reserve service force, and make new contributions to promoting social stability and economic development in the capital.

#### Inner Mongolia Holds Public Security Meeting

SK1803022195 Hohhot NEIMENGGU RIBAO in Chinese 23 Feb 95 p 1

[By reporters Zhang Zhaocheng (1728 0340 2052), Li Xiaoping (2621 1420 1627), and Bao Jinshan (0545 6855 1472): "We Should Resolutely Strike Blows to All Kinds of Criminal Activities and Go All Out To Safeguard Social Stability"]

[FBIS Translated Text] The judicial, procuratorial, and public security work meeting, which was convened on 22 February, set forth: In this year, the judicial, procuratorial, and public security front in the whole autonomous region should pay particular attention to safeguarding social stability and building the judicial, procuratorial, and public security contingent, resolutely strike blows to all kinds of criminal activities, and make great efforts to implement the measures of the comprehensive administration over public security, and ensure smooth progress

in the autonomous region's deepening reform, opening wider, and building a socialist market economy.

Yun Bulong presided over the meeting, and Wan Jisheng made a work report entitled, "We should take a realistic approach and do the substantial work, actively forge ahead, and make contributions to the autonomous region's reform, development, and stability." Wang Fengqi, Ba Shijie, and Zhang Hesong attended the meeting.

In 1994, the judicial, procuratorial, and public security front in the whole province firmly focused on the general task of the whole party and the whole state, actively brought into play its function, and made significant contributions to reform, opening up, and the building of the system of a socialist market economy. The judicial, procuratorial, and public security departments at all levels continued to increase the fighting dynamics of striking blows, and punished a group of criminals who committed serious crimes, rapidly and severely, according to law. We made great efforts to develop the fight of rectifying public security in rural and pastoral areas, and rectified some areas and units where public security was not in order, in a unified manner. We conscientiously implemented the leader responsibility system for the comprehensive administration of the public security, and effectively promoted the implementation of all the measures of social security. We concentrated our efforts to investigating and handling some major and appalling economic cases, such as corruption, bribing, smuggling, and fraud. We strengthened party building and contingent building in the judicial, procuratorial, and public security front, and new headway was made in improving the overall quality of the judicial, procuratorial, and public security contingent.

The key points of this year's judicial, procuratorial, and public security work will proceed from the general task of safeguarding social stability and enhancing economic prosperity, continue to deepen the fight of striking blows, and implement the comprehensive administration over public security in an all-round way. It is imperative to severely punish serious economic crimes according to law, promote the fight of anti-corruption to develop in depth, and get to the bottom of major and appalling cases such as corruption and bribery. We should take a further step to strengthen the building of our judicial, procuratorial, and public security contingent by setting high standards and strict requirements. It is imperative to forbid the judicial, procuratorial, and public security cadres and police to be entertained by and to receive money or presents from persons related to cases. It is imperative to forbid the assumption of a cold, hard, rude, and bureaucratic attitude and shifting responsibilities to others when confronting the masses making complaints and seeking help. It is imperative to forbid the judicial, procuratorial, and public security cadres and police from beating and scolding people and extorting confessions through torture, as they are behaviors which go against law and discipline. It is imperative

to insist on enforcing the law strictly, and safeguarding the dignity of the legal system. In this year, we will make great efforts to implement the personal responsibility system for enforcing the law and the system of finding out who should be held responsible for the wrong cases, and select a group of representatives from all walks of life to supervise law-enforcement.

One of the important contents of going all out to safeguard social stability is to correctly handle the contradictions among the people, so as to effectively prevent the occurrence of all kinds of the incidents caused by groups of people. In handling these issues, first, we should guard against the hostile forces meddling in the contradictions among the people, seizing on an incident to exaggerate matters, and confusing people and causing chaos, and we should prevent economic problems from evolving into political problems. Second, we should strictly guard against unstable factors, which are caused by contradictions among the people, to converge together and therefore make things more complicated and bring about greater bad influences. Third, we should fully understand and conscientiously handle the masses' wishes and reasonable requirements, and integrate education in ideology, which takes patience and careful work, with the endeavor of resolving practical problems. It is imperative to avoid performing duties in a perfunctory and rough manner. Fourth, we should see what is coming from one small clue, check erroneous ideas at the outset, and do the work as early as possible and in a careful and substantial manner. The contradictions and problems should be resolved when they begin emerging at the grassroots level.

We should mercilessly strike blows to criminal activities which endanger reform, opening up, and the economic order. At present, the key points we should strike blows to are tax evasion, counterfeiting and reselling of receipts of value-added taxes, forging money, fraud, smuggling, producing and selling counterfeit and bad products. We should resolutely carry out the guideline of strictly handling them according to law. It is imperative to severely handle the major and appalling economic cases which involve great amounts of money, of which the offenses were absolutely vile, and which are seriously harmful.

#### Secretary Gives Speech

SK1703144195 Hohhot NEIMENGGU RIBAO in  
Chinese 26 Feb 95 p 1

[By reporters Zhang Zhaocheng (1728 0340 2052) and Bao Jinshan (0545 6855 1472): "A Leader Unable To Ensure Local Security Is Not a Competent Leader"]

[FBIS Translated Text] The three-day regional meeting on judicial, procuratorial, and public security work ended on 24 February. Liu Mingzu, secretary of the regional party committee, said in his speech: A leader unable to ensure local security is not a competent leader.

Attending the meeting were regional leaders Bai Enpei, Wuyunqimuge, Yun Bulong, Peng Cuifeng, Wan Jisheng, and Wang Fengqi.

Liu Mingzu said in his speech: Under the new situation, whether one can correctly understand and handle the dialectical relations between reform, development, and stability is the criterion to assess the leadership art of leaders at all levels. A leader unable to lead the masses to develop the economy and improve their livelihood is not a competent leader, and a leader unable to ensure the security of his own locality is not a competent leader either. Principal party and government leaders at all levels should assume overall responsibility for the social stability of their own localities, and whenever there is a problem, top party and government leaders should be held to account. Party committees at all levels should regard efforts to safeguard social stability as a target that must be attained by leading cadres of various localities and departments during their tenure of office. Party committees should also strictly examine the official achievements of leading cadres and constantly enhance their sense of responsibility in safeguarding stability.

Liu Mingzu stressed: Safeguarding social stability is not merely a matter of judicial, procuratorial, and public security organs. It touches upon all circles in society, and thus is arduous and complicated systems engineering. This requires us to mobilize the forces of all professions and trades in society to safeguard social stability altogether and manage social order in a comprehensive manner. All pertinent departments, particularly judicial, procuratorial, and public security organs, must mobilize and organize all the forces in society to implement the measures with regard to the comprehensive management of the social order. Party and government leading cadres at all levels should consciously enhance their sense of law, take the lead in studying and abiding by the law, take the lead in strictly enforcing the law, and act within the scope permitted by the Constitution and the law. On no account should they replace laws with speeches, press laws with power, or indulge in all forms of local protectionism.

At the conclusion of the meeting, Yun Bulong and Wang Fenqi set forth specific demands on further implementing the measures with regard to the comprehensive management of the social order. First, we should conscientiously implement the "several regulations on carrying out the responsibility system for the comprehensive management of social order" that were raised by five ministries and commissions of the central authorities, and should make leaders at all levels assume political responsibility for ensuring the security of their own localities. Second, we should deal blows to all kinds of criminal offenses as severely and promptly as possible, strive to consolidate and control public security and the social order in major areas, and resolutely wipe out all sorts of ugly phenomena in society. Recently, we should launch a special anti-robbery campaign that covers both urban and rural areas as well as all fronts in the region. Third, we should fully mobilize and depend on the masses to organically combine the special campaign with the mass line and to give rise to a public security control and prevention network, with local public security police

substations as the core and with the masses' prevention and control organizations as the outer line. Fourth, we should effectively do the work of the covered front, should be strict in domestic affairs but relaxed in foreign affairs, should keep a close watch on movements, and should put major targets under strict control. Fifth, we should pay attention to petition work, improve the system concerning petition receiving days, and frequently learn about the feeling as well as the weal and woe of the masses in order to solve problems in the bud.

When this meeting was in session, the regional public security, procuratorial, and people's court organs also respectively held meetings to specially discuss and make arrangements for the issues of building their ranks well, dealing blows to serious criminal offenses, investigating and handling embezzlement and bribery cases, and strictly enforcing laws under the prerequisite of comprehensively implementing the guidelines of the regional meeting on judicial, procuratorial, and public security work.

#### **Liaoning Secretary Joins Discussion on Public Security**

*SK1703142395 Shenyang LIAONING RIBAO in Chinese 25 Feb 95 p 1*

[FBIS Translated Excerpt] Sponsoring a forum on public security with the deputies attending the third session of the eighth provincial people's congress in the Liaoning Building in Shenyang on the afternoon of 24 February were Gu Jinchu, secretary of the provincial party committee; Wen Shizhen, acting governor of the province; Liu Zhenhua, member of the provincial party Standing Committee and secretary of the provincial political and legal commission; and Cong Zhenglong, vice governor of the province.

Chen Suzhi, vice chairman of the provincial people's congress Standing Committee, presided over the forum. Attending the forum were 30 deputies from various social circles.

During the forum, Guo Dawei, director of the provincial Public Security Department, first informed the participating deputies of the province's current situation in public security and of the work arrangements made by public security organs for further stabilizing social peace and order. Then 10 deputies successively voiced their opinions on how to further and successfully conduct public security in both urban and rural areas, how to successfully establish relations with the masses, and how to build a contingent of public security personnel. [passage omitted]

During the forum, Gu Jinchu, secretary of the provincial party committee, stated: We should persistently carry out the comprehensive management of public security under the leadership of party committees. The principal leading comrades of party and government organs at all levels should take personal charge of the management and should grasp the management throughout the year. In order to stabilize social peace and order, first, under the new situation of reform, opening up, and developing the market economy, we should analyze public security issues from a new angle and apply a new concept, otherwise it will be very difficult for us to find methods for resolving problems. Second, it is imperative to enhance the construction of organizations at the grass-roots level that are in charge of comprehensive management of public security and concentrate on preventing crimes. Third, it is necessary to reinforce the dynamics of dealing blows at crimes as well as deal strict blows at serious criminal elements and heavily punish them. Fourth, it is necessary to call to account for their criminal liabilities those who have provided criminal conditions for convicts. Fifth, it is necessary to analyze or study typical cases so as to find the links of public security work that should be enhanced, and thus turn the passive practice of chasing criminals and dealing blows at them into the active one of preventing crimes.

Lastly, acting Governor Wen Shizhen pointed out: The public security situation in the province can be summarized as follows. First, it is basically stable. Second, there are still points with which the people are not satisfied. The state of public security represents the achievements made by specific localities in building the two civilizations, and represents the comprehensive reflection of party style and social morale. Therefore, only by resolutely conducting comprehensive management of it can we achieve the desired results. In conducting comprehensive management of public security, the principal leaders of party and government organs should assume leadership over the work, and various social circles should assume responsibility over the work and find out their adequate position in the work. The provincial people's government will further enhance the dynamics in the leadership over the work of safeguarding the social peace and will do a good job in coordinating the work among various fields. It will run the province and the police force in line with the law, and will consolidate public security according to the law. It will take simultaneous action in preventing crimes and dealing blows to crimes. It will strictly enforce the discipline of the police forces, will strictly run the police force, and will do a good job in building the main force for safeguarding social peace. Wen Shizhen also urged the deputies of the provincial people's congress to put forward more suggestions and opinions for government work.

### General

#### Commentary on Seeking Common Development in East, West

SK1803084695 Beijing XINHUA Domestic Service in Chinese 1006 GMT 12 Mar 95

[Commentary by XINHUA reporter Wang Yanbin (3769 6056 1755): "Make the East Cooperate With the West To Seek Common Development"]

[FBIS Translated Text] Beijing, 12 Mar (XINHUA)—The "program on the demonstration project of making township enterprises in the east cooperate with those in the west" whose principles were agreed upon by the State Council is an important strategic measure which the state has adopted for accelerating the development of township enterprises in the central and western parts of the country as well as the development of the entire rural economy and is an important manifestation of the policy of stressing and invigorating agriculture. This program needs the efforts of all localities and relevant departments to implement it conscientiously and realistically.

During recent years, the gap in rural economic development between the central and western parts of the country and the eastern part of the country has become wider and this gap is mainly the gap in the development of township enterprises. The output value of township enterprises in the central and western regions where the rural population accounts for two-thirds of the country's total only accounts for one-third of China's total output value of township enterprises. Without the rapid rural economic development in the central and western regions and the enhancement of income level of this two-thirds of rural population, it is impossible to realize the objective of making the rural areas attain the level of moderate prosperity by the end of this century, and the whole national economic development and social stability will also be affected. Therefore, accelerating the development of township enterprises in the central and western regions is a major strategic issue.

We should recognize that through more than 10 years of development since reform and opening up, a fairly good foundation has been laid for developing cooperation between the eastern and the western regions. The progress of the socialist market economy, in particular, has provided more favorable conditions for optimizing the allocation of various resources in the eastern and western regions. Through years of development, the eastern region already possesses economic strength for developing cooperation with the central and western regions, and with the expansion of the degree of opening up, the enhancement of the concept of a commodity economy, and the improvement in the infrastructure facilities, the central and western regions have also created definite conditions for east-west cooperation.

Regarding the widening of the gap between the east and the west, the party Central Committee and the State

Council have successively adopted a series of major measures since the 1990s for supporting and accelerating the development of township enterprises in the central and western regions, including the issuance of the "decision on accelerating the development of township enterprises in the central and western regions," and made arrangements for increasing special loans for township enterprises in the central and western regions. All localities and departments have also adopted specific measures to support the development of township enterprises in the central and western regions, such as promoting the exchange of cadres, forming cooperative partners, and supporting the poor areas by establishing links with them. A batch of township entrepreneurs with foresight have also successively moved their businesses west. These measures have resulted in fairly good economic and social efficiencies.

One thing we should point out is that the economic gap between the east and the west has been formed for a long time, and the reasons for this are various. It is impossible to completely solve them within a short period of time. However, as long as we extensively mobilize the forces of all social sectors, adopt all feasible measures, and develop more cooperative forms and substance under the correct leadership of the party Central Committee and the State Council based on the principle of giving simultaneous attention to efficiency and fairness, we will rapidly end the trend of the increasingly expanding gap and gradually narrow it. The implementation of the demonstration project of making the east cooperate with the west is aimed at organizing the strength of different localities so that advantages are complementary, strong points are strengthened and shortcomings avoided, higher efficiency is sought in cooperation, and the eastern region improves and the central and western regions upgrade themselves in the course of development. I hope that township entrepreneurs in the eastern and western regions will work with the millions and millions of peasants in one heart in taking big strides towards a promising new century.

#### Commission Outlines Main Points for Enterprise Reform

HK1803073995 Beijing ZHONGGUO XINWEN SHE in English 0449 GMT 18 Mar 95

[FBIS Transcribed Text] Beijing, March 18 (CNS)—The State Economic and Trade Commission has made public main points for the reform of state-owned enterprises this year, with the focus set on separation of functions between the government and the enterprises; bettering the internal management of enterprises; and on gradually setting up a social security system. The main points can be summed up as follows.

- A number of enterprises will be selected on a trial practice for setting up a modern enterprise system.
- The "Enterprise Law" and regulations on a change in the mechanism will be implemented persistently while

regulations on supervision will come into force as early as possible. The "Labour Law" will be put into effect.

- Capital will be raised from increasing channels for enterprise operation. A mechanism will be created for supplementing capital for enterprise running.
- Investment in technological renovation of enterprises will be increased in a bid to speed up the pace of the reform of enterprises.
- Workers made redundant by enterprises will be diverted to other business sectors. Social welfare, formerly provided to workers, will no longer be a responsibility of the state-owned enterprises.
- A bankruptcy practice will be tried out in enterprises. According to the bankruptcy law and the official notice issued by the State Council regarding the bankruptcy practice carried out in some cities for a number of state-owned enterprises, some will be declared bankrupt because they cannot repay debt which is due, or because they have failed to reverse loss made from business operation.
- An overburden of debt shouldered by state-owned enterprises which had long existed will be settled.
- Internal management of enterprises will be strengthened and a factory has to be managed strictly according to law. The overall quality of enterprises will be upgraded.
- Strategic adjustment of industrial pattern and enterprise structure will be carried out.
- A trial practice for the running of enterprise groups will continue.

#### **QIUSHI on Reform of State Enterprises**

HK1703041595 Beijing QIUSHI in Chinese No 4, 16 Feb 95 pp 8-10

[Article by Ma Hong (7456 3163): "Run Large and Medium State Enterprises Well"]

#### **[FBIS Translated Text] The Key to Enterprise Reform Lies in Resolving the Problems of Large and Medium State Enterprises**

The establishment and development of state enterprises are determined by the fundamental socialist politico-economic systems of our country. Deepening the reform of the economic system with emphasis on state enterprises is necessary for the development of the national economy and the establishment of the socialist market economy.

Since the policy of reform and opening up was first introduced, we have done a lot of work and made some headway in the reform of state enterprises. Notable progress has been achieved in some respects but, on the whole, no substantial breakthrough has been made in

helping enterprises switch to the new system. The major difficulty that holds back the reform of state enterprises lies in large and medium enterprises. On this question, Comrade Deng Xiaoping has unequivocally pointed out that "in the reform of enterprises, our chief goal is to invigorate the large and medium state-owned ones." ("Selected Works of Deng Xiaoping," Vol 3, p 192)

First, large and medium state enterprises are the pillars and leading forces of our national economy; they are also the basic entities of and an important guarantee for the socialist market economy. Since the founding of the People's Republic, a fair number of large and medium state enterprises have been established in the basic and backbone industries of the national economy, including the iron and steel, petroleum, chemical, automobile, coal, and military industries. Although we have made mistakes in our choice of economic systems and development strategies in past years, there is no denying that these large and medium state enterprises have played an important role in speeding up the process of industrialization and in boosting our economic strength. Since the introduction of the policy of reform and opening up, we have adopted a new policy of actively developing diverse economic sectors while taking public ownership as the mainstay. Subsequently, the nonstate-owned economic sectors have seen tremendous growth and have played an increasingly more important role in boosting national economic growth as a whole. However, the fact remains that large and medium state enterprises are still in a dominant position in the basic sectors and backbone industries of the national economy. State enterprises, particularly the large and medium ones, continue to enjoy absolute advantages in the national economy and control the country's economic lifelines. They are the foundation and pillar of the national economy and the main source of national revenue. Hence, the key to building socialism with Chinese characteristics lies in running large and medium state enterprises well. How these enterprises fare is of decisive importance to the economy as a whole.

Second, large and medium state enterprises constitute the most formidable part in the task of switching to a new economic system. Under the traditional system, the government exercises direct control over enterprises through state plans, while enterprises see to it that their staff and workers are completely dependent on them through the provision of community services. This characteristic is best illustrated in large and medium state enterprises and it is also the reason why large and medium state enterprises will find it most difficult to switch to a new system. Hence, whether or not large and medium state enterprises can successfully accomplish their task of reform will be of decisive significance in completing the transition from a planned economy to a socialist market economy.

Third, large and medium state enterprises have the best industrial workers and technical cadres, who have made great contributions to the state for many, many years. In

recent years, however, many of these enterprises have been slack in management. The staff and workers in these enterprises have to cope with low incomes and housing problems and are not adequately covered in terms of health care, pensions, and the like. These problems will have a negative impact on the stability of the whole society if they are not properly addressed and this impact cannot be ignored.

Fourth, the Chinese economy is in a period of rapid growth and the potential for development is great. Based on international experience, whether or not our industrial structure and overall economic strength can reach new heights in the next few years depends to a large extent on whether we can develop a number of large enterprises and enterprise groups which can meet the needs of the market economy, which are capable of developing products with a high technology content and high added value, and which are highly competitive in the market. It is quite obvious that our large and medium state enterprises are currently not up to this requirement as they now stand. Invigorating large and medium state enterprises through reform, helping them adapt to intense competition at home and abroad, and greatly boosting their capability in developing and creating new products have become pressing tasks in pushing the Chinese economy to new heights.

The solution of the problems confronting large and medium state enterprises deserves great attention as it has great significance in more ways than one. The key to the establishment of a socialist market economy in China and the strengthening of our position in international economic competition lies in increasing the competitiveness of our state-owned enterprises. It is both wrong and irresponsible to think that "since it is so difficult to carry out reform in large and medium state enterprises, we should perhaps let nature take its own course." In order to pay attention to and speed up the reform of large and medium state enterprises, we must take real action rather than merely paying lip service to the task. In particular, effective measures must be taken to seriously tackle the deeper problems confronting these enterprises and great efforts must be made to come up with innovating changes in the enterprise system to effect a swifter change in the systems in large and medium state enterprises.

#### **The Key To Switching to a New Enterprise System Lies in the Separation of Government and Enterprise Functions**

We have been talking about separating the functions of the government from those of enterprises for many years but we have not done a good job in this connection for all those years. When government and enterprise functions are not separated, enterprises have no choice but to act in accordance with administrative instructions and this renders them unable to meet the requirements of the market economy. It is true that the guidance of government departments will continue to play an important

role in the reform of enterprises in future but, what is more important, is that efforts must be made to bring into play the subjective initiative of the enterprises. Only in this way will it be possible to consolidate and sustain the success of the enterprise reform. Comrade Deng Xiaoping has said a great deal about separating the functions of the government from those of enterprises. His views have pointed out for us the basic concept and method for separating the functions of the government from those of enterprises.

The separation of government and enterprise functions means replacing the government's direct control of enterprises with indirect control and establishing a state asset administration and management system that is suited to the needs of the market economy on the basis of straightening out property relations. In this process, it is necessary to separate the function of the government as manager of the macroeconomy from its function as owner of state assets, separate the administration of state assets from the management of state assets, and appropriately separate management functions from production functions. "To stimulate the initiative of the enterprises, we have to separate ownership from management in various ways; that is a very important part of the reform. But some of our comrades, who are still bound by conventional notions of how things should be done, do not like this idea. Actually, as means of developing the productive forces, different managerial forms can serve either capitalism or socialism. Whichever system uses them better will benefit most." (Ibid) This view by Deng Xiaoping has an important bearing on the establishment of a system of government administration and a system of state asset administration and management that are suited to the needs of the socialist market economy on the basis of the separation of government and enterprise functions. Many ideas and proposals for reform have been put forward for the establishment of a system of state asset administration and management. For example, some comrades proposed "centralized ownership and decentralized management" of state assets; others suggested that large enterprises and enterprise groups should be authorized by government state asset administrative organs to manage state assets; and still others suggested setting up state asset management companies or state-owned holding companies. These concepts should be actively explored and experimented with in accordance with Comrade Deng Xiaoping's thinking. On the whole, it is necessary to develop a system of administration and management which entails true responsibility for and the mobility of state assets so that they can preserve and increase their value under the new conditions of the socialist market economy.

Another task in separating the functions of the government from those of enterprises is to effectively step up the change of government functions and the reform of government organs. Comrade Deng Xiaoping pointed out: "Delegating to lower levels the power to manage enterprises and separating the functions of the government from those of enterprises are components of the

reform not only of the economic structure but also of the political structure. The delegation of power to the lower levels will inevitably run into obstacles. Departments are oversized.... The more people you have in a unit, the more leaders you have competing for power. These people have worked for many years in departments at the central level and most of them have acquired some knowledge. I suggest that they go to the grass-roots units and run for election as directors or managers of enterprises to demonstrate their abilities there." (Ibid) The problems of overstaffing and people competing for power pointed out by Comrade Deng Xiaoping are quite common in government organs and these problems are actually quite serious in some places and at certain times. Institutional reforms aimed at streamlining the administration have been carried out repeatedly since the introduction of the reform policy but the effects have not been very satisfactory. In some localities and departments, staff sizes have actually increased. When there are a lot of people around, it is inevitable that some will try to arrogate power and will try to interfere inappropriately with the running of enterprises under the new situation by taking advantage of certain new methods. Overstaffing also means heavier financial burdens. Many localities are deep in financial difficulties and cannot pay their staff. An important reason is that they are overstaffed and overburdened. Under the circumstances, it is impossible for them to separate the functions of the government from those of enterprises and change the functions of the government. In order to tackle the problem of inflated departments and overstaffing, it is necessary to promote staff mobility by encouraging some members of staff to leave government employ. As Comrade Deng Xiaoping said, some of these people will have a great future working on the frontline of enterprises and the market economy. Of course, as in the case of the severing of enterprise personnel, it is also necessary to have social security and other necessary conditions well in place when severing government functionaries.

#### **Uphold the Principle of Systematic Advance and Active Exploration**

Our orientation and goal in deepening the reform of state enterprises is to establish a modern enterprise system with public ownership as the mainstay. This is a necessary requirement for developing socialized mass production and the market economy; it is also the inevitable way for publicly owned enterprises to enter and compete in the market. The basic characteristics of this system are: Clear-cut property rights, clearly defined powers and responsibilities, separated functions of government and enterprises, and scientific management. Central to this system is the formation of a perfect corporate system and limited liability system in accordance with the requirements of independent accounting, independent management, responsibility for one's own profits and losses, and payment of taxes as required by law and the establishment of leadership and management systems which are suited to the needs of the market economy in the

enterprises. Through the establishment of the corporate property rights of enterprises, enterprises will truly become legal entities enjoying independent civil rights and shouldering civil obligations.

The establishment of a modern enterprise system during the transition from a conventional planned economy to a socialist market economy is an unprecedented undertaking. There is no ready path to bringing about a smooth transition and establishing a modern enterprise system which not only meets the needs of a modern market economy but conforms to the actual conditions of our enterprises. All we can do is to make active explorations in theory and practice. In this process, the ideological line of proceeding from reality in everything and seeking truth from facts, as well as the idea of daring to experiment with new ideas and to make innovations, championed by Comrade Deng Xiaoping, are of great significance as guiding principles.

The establishment of a modern enterprise system inevitably involves many aspects both within and outside the enterprises. It is an arduous task. In order to grasp this task well, it is necessary to take the whole situation into consideration, make overall planning, and make gradual advances in an organized and well-led way through experiments at selected spots.

There are differences of opinion as to the characteristics of the modern enterprise system. For example, some comrades think that the modern enterprise system means the corporate system, particularly the system of limited shareholding companies with separate ownership and management and hired managers playing a dominant role, a system which has developed over the last 100 years or so. Some comrades think that in addition to the company system, the modern enterprise system should also include the systems of partnership and wholly-owned enterprises. These questions need to be further looked into on the theoretical level. However, as things stand in our country, it is obviously impossible to adopt a uniform modern enterprise system due to the great disparities between different trades, regions, and enterprises. In this regard, it is necessary to uphold the principle of seeking truth from facts, select different forms of the modern enterprise system in the light of the specific conditions in the different trades, regions, and enterprises, and adopt the method of systematic advance. For example, in those sectors which have a direct bearing on national security and which are of special importance such as national defense, the aerospace industry, and the mint, wholly state-owned companies are to be established; in those sectors characterized by natural monopolies, such as urban utilities, electricity, communications, and railways, wholly state-owned companies and state capital holding companies should be the main forms; in the basic industries and pillar industries which have an important position in the national economy and are somewhat monopolistic in nature, such as large enterprises in the petroleum, iron and steel, and automobile industries, shareholding and

limited liability companies with the state holding controlling shares may be established.

It is also wrong to seek uniformity in the specific method of switching to a new system in state enterprises. Rather, we should encourage bold experiments and explorations in different ways. Comrade Deng Xiaoping pointed out: "Once we are sure that something should be done, we should dare to experiment and break a new path.... (We should) continue those measures that have proved correct, act promptly to change those that have proved wrong, and tackle new problems as soon as they are identified." (Ibid p 372) In recent years, many useful experiments on the method of bringing about a switch in systems in state enterprises have been conducted in different parts of the country. These experiments, such as "one factory, two systems, giving up urban prime sites and switching from secondary to tertiary industry," on-the-spot transformation, and mergers, have achieved varying degrees of success; some have even achieved quite remarkable success. In accordance with Comrade Deng Xiaoping's views on reform, we should continue to encourage more explorations on the methods of switching to the new system. Of course, seen in the intermediate and long terms and from the trend of the gradual improvement of the modern enterprise system, the organizational system of enterprises after the switch should, as far as possible, measure up to the standards required. However, in the course of switching to the new system, it is often the local cadres and masses who are most familiar with the situation and most qualified to speak on matters such as which specific organizational form should a particular enterprise adopt, how should enterprises rid themselves of the burden of providing community services, how should surplus staff and workers be displaced, and which enterprises should be merged or purchased. Practical experience has proved that enterprise systems which are better suited to reality and are full of vitality are often created by cadres and masses working on the front line, particularly the entrepreneurs amongst them.

#### **Paper Further Examines State Enterprise Reform**

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[By Yuan Mu: "More on State Enterprise Reform—Returning From a Study Tour of Deyang"]

[FBIS Translated Text] Editor's note: When submitting this article to the editorial board, the writer enclosed an accompanying note to the following effect: The article "More on State Enterprise Reform" serves as a continuation of my previous one entitled "Several Issues of Basic Understanding on State Enterprise Reform" published on page 10 of your newspaper on 28 January. The former article set forth two arguments: One, state enterprises must carry out reform, otherwise they will go nowhere; and two, the reform should help give play to the state economy's dominant role and consolidate the

public economy's dominant position. In that article I presented my views focusing on those two arguments but I did not say much about how the reform should be carried out. In my present article based on my investigation of Deyang, Sichuan, I lay particular emphasis on how the reform should be carried out, which is a practical problem, to supplement the former article. The editorial board has hereby decided to publish the article in the hope that it will help explore new ways of successfully running state enterprises, a major issue concerning our overall interest. [End editor's note]

After reading a series of press reports about state-owned industrial enterprises in Deyang, Sichuan, we recently went there to conduct investigations. Our investigations proved that state enterprises in Deyang have performed quite well, constantly raising their economic efficiency. From 1988 to November 1994, the sales income of the state industrial enterprises under the city government within the budget increased from less than 700 million yuan to about 1.6 billion, their taxes and profits went up from 85 million yuan to 160 million yuan, and the net value of their assets rose from 600 million yuan to 1.4 billion. They have not suffered any losses for seven years running. When inspecting Deyang last year, a principal leader of the State Council said enthusiastically that "this is an amazing achievement." We visited more than a dozen large and medium state enterprises in Deyang and held many discussions with leading comrades from the city authorities and enterprises. We focused on drawing on Deyang's achievements and experience in our investigations which were launched with the problems facing state enterprise reform in various localities as the background. We had repeated discussions with the leading comrades on the principles for running state enterprises well. After exchanging views on many occasions, we and the comrades in Deyang basically arrived at the following consensus.

#### **I. It Is Necessary To Acquire a Correct Understanding of the Position and Role of State Enterprises**

Creating firm confidence in running state enterprises well. Whether state enterprises can make achievements in their reform as soon as possible remains a paramount problem to be solved properly. In general, in the great process of building socialism with Chinese characteristics, state enterprises play an irreplaceable role in promoting economic development, maintaining social stability, supporting spiritual civilization, deepening reform and opening wider to the outside world, and consolidating the socialist system. In a sense, the key to the establishment of a socialist market economy lies in the complete convergence of the public economy, with the state enterprises and the state economy as the mainstay, and the operating mechanism of the market economy to bring into play the superiorities of socialism and the basic role of the market in the allocation of resources. Only when this problem had been properly solved could the establishment of a socialist market economy be basically guaranteed; otherwise, the establishment of a new economic system and the healthy

development of the market economy would have been out of the question. China is now in the crucial period for economic restructuring. This, according to our understanding, is where the basic reason lies for the party Central Committee to stress the need to put state enterprise reform in the key position in this period with the reform in other fields playing a supportive role. Therefore, the whole party, leaders at all levels, and all comrades working with state enterprises should arrive at a better understanding of the party Central Committee's policy decisions and foster a firm confidence in making a success of state enterprises through reform. They must not look blindly for new points of economic growth by brushing aside state enterprises, to say nothing of being one-sidedly keen on setting up new development zones or running bubble economies. Party committees and governments at all levels, city party committees and governments in particular, which are duty bound to make state enterprises a success, must put state enterprise reform in an important position in guiding economic work. They must grasp the nettle, make great efforts, and keep tabs on state enterprise reform for several years to reverse the situation as soon as possible and to achieve certain results this year. The success or failure in this work will have a direct bearing on whether inflation can be curbed; the economy will grow in a sustained, rapid, and sound way; and social stability can be maintained. So, this is a major task concerning the country's overall interest. We suggest that newspapers and periodicals, especially those influential newspapers and periodicals which enjoy a large circulation, give wide publicity to those units or places (there are many such units and places across the country) which have really scored successes in state enterprise reform, popularizing their achievements and experience in a big way to really foster a prevailing social feeling and public opinion that we must and can run state enterprises well.

## **II. We Must Work Hard in Full Cooperation and With Unity of Purpose, Displaying the Spirit of Pressing Ahead in the Face of Difficulties and Being Firm and Indomitable**

State enterprise reform embraces a huge set of complicated systematic projects. State enterprises are really plagued with many difficulties for various reasons, including: The problems with the existing economic system and the operating system brought about in the period when the planned economy is being replaced by the market economy; insufficient enterprise investment; outdated technology; no clear distinction between the functions of government and those of the enterprise; unclear relations between responsibility, power, and interests; mismanagement; the imperfect social security system; and heavy financial burdens imposed on them by society. In the face of difficulties we have only two options: To press ahead or beat a retreat. Different approaches lead to different results. If the enterprise laid undue stress on difficulties, blamed everything and everyone but itself, and attempted nothing and if the government refused to help the enterprise overcome its

difficulties, the difficulties would grow in number and size. Some comrades are concerned that if we do not speed up the reform and try our best to help state enterprises extricate themselves from their difficult positions, delaying the effort, for example, for three to five years, or six or seven years, more and more state enterprises would go bankrupt and the entire economy would sustain irreparable losses. This is by no means alarmist talk but, rather, the truth. We should be aware of the danger and of the urgency of the matter. When we conducted investigations in Deyang, we often heard comrades from the city and enterprise leadership say: "Difficulties are an objective reality but countermeasures always outnumber them." We very much appreciated their valor and position and it was for this reason they could make concerted efforts to find solutions. The government enthusiastically served the enterprises, helping them overcome their difficulties while the enterprises focused on raising their economic efficiency by working hard to tap their internal potential, change their operating mechanisms, and improve management. This is the most important reason and main secret behind why the state enterprises in Deyang City did not suffer any losses for seven years in succession. Nationwide, while encouraging certain enterprises to join or amalgamate and, at the same time, declaring a few enterprises bankrupt according to law, we should introduce the following guideline into other state enterprises: "Waiting for and relying upon nothing and nobody, making plans in advance, facing the market, and clearing the way to forge ahead." So long as everyone follows this guideline in deeds rather than in words, on the whole, we are very likely to make a success of state enterprises through hard struggle.

## **III. It Is Necessary To Gain a Correct Understanding of the Relationship Between the Government and the Enterprise and To Separate the Government and From the Enterprise After Their Functions Have Been Clearly Defined**

The central economic work conference held in December last year, clearly pointed out: The first and foremost task of state enterprise reform is to uphold the principle of separating the government from the enterprise and enable the state enterprise to really become an independent legal entity in the market economy and a mainstay in the market competition on equal terms. Everyone we met when we carried out investigations in Deyang and other localities agreed with this. By "separating the government from the enterprise," which is a succinct expression, we actually mean "separating the functions of the government from those of the enterprise." In other words, we mean that the government and the enterprise each should have its own duties and perform its own functions; we do not mean that "they should be divorced from each other," let alone "encouraging the government to leave the enterprise alone or the enterprise to disobey the government." The central authorities should possess and properly exercise their power to macrocontrol the entire economy while various

local governments, within their terms of reference, also have the power to adjust the economy; how can they leave the enterprises alone; what matters is how the government exercises control over the enterprise! To say nothing of the need for the government, or the relevant department authorized by the government, to exercise their power as owners of the enterprise over the state enterprise. State enterprises and other enterprises in different economic sectors cannot separate themselves from the overall macroeconomic environment, so how can they refuse to firmly abide by and earnestly implement the government's policies and statutes! The purpose of "separating the functions of the government from those of the enterprise" is to ensure that the enterprise really operates on its own and assumes sole responsibility for profits and losses; what is essential to achieving this is that the government must first take the initiative in changing its functions. On this issue, we and the comrades in Deyang were agreed. They maintained: The government should not leave the enterprise alone, nor keep a rein on those things which are not its business, let alone putting the enterprise in a straight jacket. In enterprise reform, it is the "arbitrary and excessive control," which is inevitable under the traditional system or in the period when the old economic system is being replaced by a new one, that we must make greater efforts to eradicate. From their practice of reform, they believe the correct approach the authorities should take is that they should "interfere less, provide more services, go down to the grass-roots units, do solid things, improve service through supervision, and strengthen supervision through providing service." We believe governments in all localities should make use of their "28-character guidance" in handling the government-enterprise relationship and create new experience in light of their own particular conditions. During our investigations we learned that the Deyang Government had done a great amount of work, in a down-to-earth manner, in line with the "28-character guidance" and their work was welcomed by the enterprises.

1. The government should give different guidance to suit different conditions and treat different enterprises in different ways, giving an added grace to what is already beautiful and sending charcoal in snowy weather. It should exercise less control over successful enterprises, giving them a free hand, while taking good care of difficult enterprises, helping them to surmount their obstacles and even offering further aid. 2. Local governments should earnestly implement the central authorities' various policies on enlivening the state enterprises and, within the limits of their functions and powers, take effective measures to fully respect and defend the enterprise's power to make its own management decisions and to support the enterprise's production and operation. Within the financial resources it can call upon, the government should boost communications, telecommunications, energy, and other basic facilities to provide a better operational environment for the enterprise. 3. The government should provide good services, work hard to

help the enterprise to overcome difficulties, and help the enterprise solve problems which are beyond its ability. 4. The government should exert its utmost efforts to protect the state enterprise and never ask them for donations to lighten its burden. 5. The government should exercise tight and effective supervision over the enterprise operations by audit, legal, and other means to reduce its mistakes. Effective supervision is essential to promoting state enterprises and is welcomed by them. 6. The government should help the enterprise organize a good leading body. The city authorities are only responsible for selecting the leader and leave the election of other members of the leading body to the care of the enterprise to achieve the optimum composition, reduce the enterprise's internal frictions, and raise the leadership efficiency. In exchanging views with us, comrades from state enterprises in Deyang also said in turn: For its own sake, the enterprise should also enthusiastically ask the city authorities for guidance and supervision and help them coordinate the efforts of different enterprises and the efforts of enterprises on the one hand and those of other sectors on the other. They were fully aware of their duties to promote economic development and maintain social stability and were ready to do their best to solve their own difficulties. In this way, the government and the enterprise's goodwill toward each other met, serving to reinforce the overall adhesiveness. It was for this reason that we saw a gratifying situation in Deyang in which the government-enterprise relationship was fairly harmonious, various sectors were fairly united, and the number of workers and staff was fairly stable.

#### **IV. It Is Necessary To Change the Way the State Enterprises Operate, With Stress Being Placed on the Central Task of Expanding the Productive Forces, Raising the Economic Efficiency, and Increasing Worker and Staff Incomes**

Taking a firm and effective grasp of the work in this respect, energetically changing the operating mechanism, and gradually setting up a modern enterprise system which conforms to China's actual conditions, bears Chinese characteristics, and makes public ownership the mainstay, are the course the state enterprise reform must take. When we exchanged views on this issue with comrades in Deyang, they especially stressed: Reform serves as the motive force and development is the objective. In changing the way the state enterprises operate, we must always bear in mind that the central task of the enterprise is to develop the productive forces, raise the economic efficiency, and increase worker and staff incomes. It is necessary to concentrate on this central task in deepening the reform, otherwise, we will get half the results from twice the effort or there will be more negative results than positive ones. The comrades in Deyang had a thorough understanding of this and drew the following conclusion from their practice: "When production expands, efficiency improves, and the worker and staff incomes increase; the cadres, workers, and staff will have ease of mind, the reform will

proceed smoothly, and the results will be better." In our view, their conclusion accords with Comrade Xiaoping's inference that "development is the last word" and with the criterion for judging the success or failure of reform, namely, "whether the reform helps develop the productive forces, strengthen the overall capacity of the country, and improve the people's living standards. To change the way the state enterprises operate, comrades in Deyang learned from their practice that attention should be given to the following points: One, while it is necessary to seize upon the favorable opportunity and press ahead as fast as possible, it is undesirable to act blindly and seek quick results; two, while it is necessary to energetically and boldly blaze new trails, it is also essential to guard against a divorce, between actual national and local conditions, and against formalism; and three, while it is necessary to have a clear orientation and objective and push forward with perseverance, it is imperative to uphold the principle of proceeding in all cases from the reality and refrain from unduly seeking a unified and set pattern. For various enterprises, what is important is that they must always grasp the link of adapting themselves to the market, consolidating their market share, and opening up new markets, while constantly improving their product quality and developing new products, accelerating technological transformation, and enhancing their productivity. Only in this way can we provide a reliable foundation for better economic efficiency and higher wages; can we better handle the relations between reform, development, and stability; and can the broad number of cadres, workers, and staff maintain their high enthusiasm for reform, production, and operation.

**V. It Is Necessary To Understand Correctly and Handle the Problem Concerning the Property Rights of the Legal Entity and Vigorously and Prudently Carry Out the Reform of the Property Rights System, Attaching Importance to the Reform While Putting It in an Appropriate Position**

This is an important issue about which local cadres and comrades from enterprises are very much concerned. When we exchanged views with comrades in Deyang on this issue, they agreed with the following viewpoints, namely, the property rights of the state legal entity should have three connotations: One, the rights and interests of the owner must be ensured; two, the enterprise's independent operation must be ensured; and three, the investor and the enterprise must each assume limited liabilities. No division of the ownership of the state enterprise, with a part going to the state and the other part to the enterprise, is allowed, to say nothing of transferring the ownership to the enterprise. To change the state enterprise into a company or a joint-stock company, we should make vigorous and useful explorations through experiments, accumulate and assess our experience through practice, and see to it that the state's holding position is maintained. In the meantime, we must make sure that it will not be done rashly on a mass scale irrespective of necessary conditions. Since it was

decided during the enterprise reform to change the allocation of funds into loans, many state enterprise have invested the bank loans in assets but how will these assets be disposed of when both the principal and interest have been cleared? This is an issue about which comrades in Deyang were especially concerned. Through discussions, most comrades agreed that such loans free of principal are a special product during the period when the planned economy is moving toward a market economy. A fairly good solution would be to change a part of the loan into national capital rather than giving it to the enterprise, thus lightening the enterprise's burden of paying a debt and affirming the state's ownership over the enterprise. Comrades from the local government and enterprises hoped relevant concrete and operational policies will be promulgated as soon as possible. They also suggested that less, or no, such principal-free investment be allowed in the future, adding that the enterprise should inject a certain percentage of its own funds into its investment while the state should also provide a certain percentage of funds for the projects it supports. This will serve to clarify the relations between ownership and management of the enterprise and help prevent blind over-investment, thus exercising effective macrocontrol over the scale of investment.

Comrades in Deyang held that it is important to change the way the state enterprise operates through straightening the relations between ownership and management of the enterprise. It is necessary to attach importance to the work and to proceed with it as soon as possible. In enterprises where conditions permit, the work should be done at a higher rate; however, they added, we should not place undue emphasis on the work looking upon it as the only or the most important approach to enterprise reform. Because if we devoted all our efforts to straightening out the relations between ownership and management of the enterprise and failed to: Change or improve the enterprise's rules and regulations, update management and technology, open up new markets, promote the updating and upgrading of products, and strengthen the leading body and the rank of workers and staff, we would not be able to invigorate and run the enterprise well. During our conversations with comrades in Deyang, a responsible member from a big enterprise once said about their experience that: Their enterprise adopted the joint-stock system when conditions were immature. As a result, the pressure for distributing dividends for the shares held by the state, legal entities, and other units was great and, again, the enterprise had to provide subsidies to those service units separated from the enterprise and follow-up reform measures were unavailable, so the enterprise finally had more, rather than less, difficulties. The responsible member was actually overcome with regret, saying that "if we had known it would come to this, we would have acted differently." As we know, there was no lack of similar cases in other places. By citing this example and similar cases, we in no way mean to say that the state enterprises should not vigorously experiment with the joint-stock system but, rather,

stress that we should take into full account objective conditions in any pursuits, proceeding in all cases from the reality and refraining from doing work for show.

**VI. It Is Necessary To Promote More Vigorously Enterprise Combination and Merger, Develop and Improve Enterprise Groups, and Give Play to Scale Effect and Advantage**

The first day we were in Deyang for investigation, a leading cadre from the city authorities told us at the beginning: "There were no enterprises which operated at a loss or were on the brink of bankruptcy in Deyang because those type enterprises have been swallowed by superior enterprises which performed better." The figurative expression indicated that Deyang has profoundly understood that state enterprise combination and merger is an important way to eliminate losses and increase profits, raise efficiency, and optimize the social assets structure. Up to now, Deyang has combined and merged over 200 enterprises of all sorts. By merger, the number of state enterprises under the Deyang City government and within the budget dropped from 29 to 19 but the net value of their fixed assets increased by 149 percent, thus boosting the overall strength of the state economy. By merger, a total of over 200 million-yuan worth of assets and about 3,000 mu of factory area were turned over to superior enterprises and concentrated in pillar industries, resulting in some enterprises of fairly large size suddenly becoming eminent. Deyang also took the initiative in requesting that the Second Shanghai Woolen Mill annex its woolen mill, making the latter its branch. The Second Shanghai Woolen Mill then vigorously helped the latter improve operations and management and open up markets. Consequently, the local woolen mill, whose assets could not cover its debts, got out of the red in less than one year. This example vividly shows that an economically developed area in east China can stimulate economic development in central and western parts of the country in this way.

The experiences in Deyang and other localities through practice fully reveal that, in promoting enterprise combination and merger, we should never do so by executive fiat, giving the enterprise group a name, and imposing on it a leading body rather than concentrating on changing the operating mechanism, because an enterprise established this way will exist in name only, will not enjoy benefits of scale, and will even make things get worse. It is necessary to address the following issues in enterprise combination and merger properly. 1. Enterprise combination or merger must be carried out on the basis of enterprises' volition and mutual benefit so that they can take advantage of each other's strengths and produce multiple [ji ju 4480 5112] effects. 2. The government must not impose a "coercive marriage" but it is entirely allowed to enthusiastically act as a procurer and help solve problems in enterprise combination or merger, especially the problems concerning money-losing enterprise debts. 3. It is essential to introduce or improve relevant policies and statutes so that enterprise

combination and merger can proceed in a healthy and orderly way, with stress being placed on the need to help adjust and optimize the industrial structure. 4. In promoting enterprise combination and merger, we should proceed step by step, doing the easy things first and the difficult things later. We can encourage enterprise combination and merger in the same trade first, then between different trades and regions or between enterprises with different ownerships, with the final aim of organizing enterprise groups. It seems that in the process of enterprise reform, if we can vigorously promote enterprise combination or merger and organize and run well a number of large state enterprise groups which engage in diverse economic undertakings with one undertaking as the mainstay and which make assets relationships [zi chan guan xi 6327 3934 7070 4762] and high-quality products the link and the dragon head, and if the enterprise groups can establish ties with a large number of medium and small enterprises by economic means and place orders with or cooperate with the latter in production, it will greatly help us to cope with the complicated and ever-changing market environment and bring into play the benefits of scale and the advantages in the competition. To give play to the positive role of market competition, it is essential to foster excellence and dispense with that which is obsolete, encourage state enterprises to constantly improve their economic efficiency, and set up a bankruptcy mechanism. At a time when the social security system remains imperfect and there are fairly many factors restraining enterprises from going bust, to promote enterprise combination and merger in a more vigorous way will prevent as many enterprises as possible which are on the verge of bankruptcy from going bankrupt and will help maintain social stability. To make a success of enterprise combination and merger, the most important things to do are: One, the state must formulate a correct industrial policy to serve as a guidance for the work and must support the work by granting the necessary preferential treatment; and two, it is necessary to adopt an overall point of view, correctly handle the relations between the various sectors in terms of interest, and cut across regional and departmental boundaries, which might meet with fairly large resistance. Such a move conforms with the need to achieve large-scale socialized production and will enable us to attain a new level in adjusting the economic structure, optimizing the allocation of resources, and achieving intensive operation. We must make great efforts to do this work successfully.

**VII. It Is Necessary To Put Enterprise Management in a Very Prominent Position and Earnestly Carry Out the Principle of Laying Equal Stress on Deepening Reform and Improving Management; in Other Words, the Principle of Persisting in Vigorously Improving Management in the Spirit of Reform**

Sound management is essential to a successful enterprise but quite a large number of enterprises overlook this factor. A survey indicates the failure of about 40 percent of loss-making enterprises was due to mismanagement.

To strengthen enterprise management, we should solve the following problems. 1. Taking effective measures to strengthen the leading body and the unity between the party and the government. In general, given similar internal and external conditions, the quality of the leading body decides the success or failure of the enterprise. Within the enterprise, there should be no more conceptional dispute over "center" and "core," instead, the two should join hands. They should perform their own duties; make concerted efforts to promote enterprise reform, development, and stability; and try, in every possible way, to raise the enterprise's economic efficiency. Whether the positions of party secretary and factory director are filled by the same person or by two persons should be decided after weighing the pros and cons and no uniformity should be imposed. The leading body which has been weak and lax because of disunity for a long time must be resolutely reshuffled straight away. 2. Strengthening the incentive and restraining mechanisms for enterprise operators. Two phenomena currently exist: On the one hand, due to a lack of an incentive mechanism, entrepreneurs, who assume great responsibilities, do not receive rewards corresponding to their contributions, thus affecting their enthusiasm. On the other, due to a lack of a restraining mechanism, nobody questions a greater growth in worker and staff incomes than that in economic efficiency. Leaders and operators of some enterprises even embezzle state assets. There has been no lack of such incidents, resulting in great losses of state assets. These two problems have greatly hindered the development of enterprises. The state economy will not be enlivened if these problems are not solved.

3. Improving basic enterprise management. Some enterprises, medium and small state enterprises in particular, are bogged down by inefficient basic management. As a result, their production and operations are in a disorderly state because of the absence of rules to go by or disregarding the rules in dealing with various matters including labor, personnel matters, production organization, product quality, and the supply-marketing relationship. Since these enterprises have too poor basic management, reform measures which failed to take this state of affairs into account have proved unsuccessful. For these enterprises, we should attach great importance to improving their basic internal management and then take reform measures, which aim to amplify various rules and regulations, to improve management and raise the enterprise's economic efficiency. 4. Bringing the enthusiasm of workers and staff into full play. While giving play to the entrepreneur's role, we should defend workers and staff's dignity and bring their role as the masters of the enterprise into play. Many workers and staff in state enterprises currently have a sense of loss, feeling a drop in their political, economic, and social status and that they are employed by the enterprise and work for the factory director or manager. This dampens their enthusiasm for work. Relying upon the working class heart and soul and giving play to worker and staff

enthusiasm is an important component part of the party's line and our basic principle, rather than an empty slogan. We must put the principle into effect. In changing the way the enterprise operates and setting up the modern enterprise system, we should energetically seek effective ways for workers and staff to participate in democratic management under the new situation. In setting up and improving the enterprise labor and personnel system; production, operation, and management systems; and income distribution system, care should be taken to give expression to worker and staff status as masters of the enterprise and to protect their legitimate rights and interests. The several abovementioned points are aimed at the general trend of neglecting management in quite a number of enterprises and they can also be said to be the minimum requirements for improving enterprise management. If our state enterprises could improve management through deepening reform and consolidate the results of reform through improving management; bring into play the superiorities inherent of socialist enterprises, which should have been run better; fully draw upon the advanced management techniques of developed countries; and constantly make new achievements in exploring scientific ways to manage modern enterprises, the potential we could tap through improving management to increase economic efficiency is not a tiny, but a very big, variable.

#### **VIII. It Is Necessary To Pump More Domestic Funds Into Enterprises, To Utilize Foreign Funds More Efficiently, and To Promote Vigorously the State Enterprise's Technological Transformation**

In the last 11 years since it was declared a city, Deyang has spent over 3 billion yuan on technological updates of old enterprises and developing new products, accounting for about 11 percent of the revenue for the corresponding periods with the percentage increasing to 12.2 percent last year. Deyang should be considered to have basically done its best in this respect. During our investigations, we managed to find time to visit the offices of the city party committee and the city government and found the offices were one-story houses built over a dozen years ago, some of which had become inhabitable. When comparing them with luxury offices in some places, we could feel all sorts of emotions well up in our minds. Again, our visit to over 10 state enterprises told us that, though these enterprises enjoyed acceptable efficiency, much of their equipment was outdated and had to be updated; otherwise, they would find it difficult to keep up strength for further growth. Nationwide, the need for state enterprises to step up technological innovation is all the more spectacular. Therefore, we should earnestly study and deal with the following situations and problems in connection with the investment system reform. One, our state enterprises have spent a lot of money on fixed assets and the spending has also grown rapidly but most of the investment was used to build new and expand old factory buildings and quite a big percentage of the money went to nonproductive projects. This not only led to excessive fixed assets investment but

also aggravated the shortage of funds needed for technological transformation and circulation, making it impossible for the enterprises to run at full capacity. The authorities concerned should immediately study the issue and formulate a policy to determine the appropriate investment amount in technological transformation. Two, as the state is in financial straits and does not have enough funds, local government and enterprises should also vigorously raise money for technological transformation. The necessary rules and regulations in this respect are most desirable. Three, state enterprises mostly undertake technological transformation projects by borrowing money from the bank but many enterprises think this will put a considerable burden on them and so find themselves in a tight corner where "they would wait for doom if they did not carry out reform but seek doom if they did." We should adopt appropriate measures to solve this problem. Four, funds for technological transformation should be relatively concentrated on those projects which will meet the demands for optimizing our industrial structure. In selecting technological transformation projects, we must take market demand into account; otherwise, the technological transformation will not achieve results and will increase the enterprise's burden.

In utilizing foreign funds, we should combine introducing foreign funds with introducing technology. Through utilizing foreign funds, we should not only introduce funds but should, more importantly, introduce advanced technology and management techniques from abroad. Whether or not we can step up our enterprises' technological transformation by making more effective use of foreign funds depends on whether or not we can adopt advanced technology from abroad, master it, and then make our own innovations. We have made great achievements in this respect in the past and have accumulated a lot of experience. When coming to China to make investment, some foreign businessmen brought with them outdated equipment which had been replaced during industrial restructuring in foreign countries. Some of this equipment is by no means advanced and can be made in China, with even better quality and at lower cost. Such malpractices by foreign businessmen should be reduced and even eliminated. In the meantime, we should take care to prevent low-level duplication of imports and constantly raise the efficiency and quality of our work of utilizing foreign funds to facilitate adjustment and optimization of our economic and industrial structures. Apart from the eight points mentioned above, I would like to stress another two points. One, it is absolutely necessary to bring into full play the enthusiasm of the local authorities and, especially, the enterprises, for invigorating the state enterprises. This should represent the principal part of our effort but it is also essential to further improve the macroeconomic environment. Some problems cannot be solved by the local authorities and the enterprises on their own. We suggest that the department responsible for macroeconomic management introduce concrete policies and

measures fairly soon to help the state enterprises solve problems concerning shortage of funds for technological transformation and circulation; excessive debts, including left-over debts and excessive burdens imposed by society; and defaulting in debt repayment between enterprises, apart from creating conditions for state enterprises to compete on equal terms. Second, the "underground economy," "shadow [ying zi 1758 1311] economy," "official-merchant ties," and "exchanging power for money," which came into existence due to the embezzlement of state assets, must be resolutely banned and those involved prosecuted through intensifying the anticorruption campaign. It is impossible to solve the problem once and for all and it is also improper to seek quick results. However, we should manage to make decisive progress as soon as possible because if we delay, the problem will become harder to beat, the resistance will grow, and more cadres will ruin their futures. This task is closely related with our efforts to invigorate the state economy and state enterprises through reform. Deyang is a small city compared with other cities where there are more state enterprises, as well as much younger industrial bases as compared with some old industrial bases. This, however, makes work easier to do. Deyang also has its shortcomings and the state enterprises there still have many problems and difficulties to overcome in their advancement but the achievements they have made and the experience they have gained are really valuable. Since returning from Deyang, an idea has lingered in my mind all the time, namely: Guided by Comrade Xiaoping's correct theories and the party's basic line, if we could make greater efforts to seek ways to boost state enterprises from our practice of reform and earnestly analyze and vigorously spread useful experience rather than draw upon ideas which do not come from practice or upon foreign "formulas" (naturally it is very necessary to apply foreign experience to China in an original way), it might prove more useful and important. The above is a peephole view for consideration by the large numbers of readers, including men of insight.

#### State Firms Large Contributors to National Economy

HK1903081695 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 Mar 95 p 8

[By Yun He: "State Firms Still Garner Lion's Share"]

[FBIS Transcribed Text] Despite poor operations, the State firms are contributing a lot to the national economy, the State Statistics Bureau says.

"State-run firms garner an annual output value accounting for nearly half of the country's total, though they are burdened with an increasing amount of unselfish contribution required by the society," Zhang Yingxiang, a bureau economist, said.

Nobody would believe how much money the State coffers have to disburse a year, if without State firms' grants in pension, social welfare, health care and their

tolerance in dealing with debts, old equipment, surplus employees and unreasonable financial levies, she said.

"The country's 100,000 State firms will have to shed more than 9 million employees for the society to rearrange their jobs, if the government permits them to lighten their burdens and dismiss their surplus labourers," the economist predicts.

Some entrepreneurs of the State firms believe that if the government allows them to cut their payrolls by 20 per cent their business would be revitalized, even without the government's preferential treatments in finance and taxes, Zhang noted.

There are five major burdens, that now hamper State firms' improvement of their economic efficiency. These have led to more than 30 per cent of the country's State firms suffering operational losses, she added.

There are many factors aggravating the outstanding debts among the State-run firms.

The remaining mandated plan, set by the State, for some industrial productions still fiercely controls the production, sales investment, profits and taxes of some firms.

But, the dual-track pricing system, formed by a newly introduced market-oriented economy, provokes the price increases of some production raw materials, making State firms too weak to pay their debts.

Meanwhile, Zhang said, every four employees at State firms have to work to support one retiree. In North China, where State firms were comparatively concentrated, every 10 of their employees have to support eight retirees.

Because of the financial shortage, 38.3 percent of the country's State firms saw more than 80 per cent of their equipment and manufacturing technology made before 1980s.

Zhang said 21.1 percent of the country's state firms still use manufacturing technology and equipment 70 percent of which were made before 1960s, thus making it impossible to compete with their rivals on markets.

Because many of the State firms were set up in 1950s, 25 percent of their employees have retired.

As a result, these firms spend a great deal of money to cover the medical expenses of their retirees annually in favour of the State's mandated free medical care system.

Zhang said that the country needs to set up a social insurance and legal system to protect the interests of the State firms and help lighten their financial burdens, considered the major culprit in choking their vitality.

The greatest burdens for State firms, Zhang said, are the excessive financial levies and donations required by local administrative departments in the name of various social activities.

Such an expense can be more than 1 million yuan (\$12 million) annually for a State firm in some parts of the country.

### More Funds Pumped Into Revitalizing State Enterprises

HK2003062595 Hong Kong SOUTH CHINA MORNING POST in English 20 Mar 95 p 1

[By Willy Wo-lap Lam]

[FBIS Transcribed Excerpt] Beijing has decided to pump more money into revitalising state enterprises despite demands by liberal economists that they be privatised. Government sources in Beijing said yesterday that the State Economic and Trade Commission, the State Planning Commission and the central bank had helped design an emergency package to prop up government-owned companies. This dovetails with statements by the newly elected Vice-Premier in charge of industry, Wu Bangguo which put resuscitation of the "predominant state sector" ahead of market reforms.

The sources quoted papers—not widely publicised—by the economic ministries on the need to bail out state enterprises despite concerns that the extra spending might worsen inflation. The papers said "multiple channels" of funding would be established to ensure that enterprises had sufficient working capital. Funds would be injected to help the units quicken the modernisation of technology and management. The authorities made it clear however, that the preferential policy only applied to "superior and strong," enterprises—that is, those with good leaders, a sound management system and "promising markets". Measures also would be taken to relieve the debt burden of certain enterprises. The State Council, meanwhile, will send "supervision and management teams" to 1,000 major enterprises to ensure state property and funds are used efficiently.

In a recent internal circular on the reform of state enterprises, the State Council reiterated that concerns "with no hope of clearing up debts or being turned around" should be declared bankrupt. However, no targets or deadlines for this radical measure were set. The circular made no mention of such radical steps as converting state enterprises to shareholding companies. Emphasis was put on mergers, or on efficient enterprises taking over those which were losing money. [passage omitted]

### Statistics Bureau Reports Investments in Fixed Assets

OW1703114195 Beijing XINHUA in English 0847 GMT 17 Mar 95

[FBIS Transcribed Text] Beijing, March 17 (XINHUA)—China invested 44.4 billion yuan in fixed assets during the first two months of this year, according to the State Statistics Bureau.

The fixed assets investment was 31.3 percent up over the same period of last year, according to a report released today by the bureau.

The report said that 7.5 billion yuan was invested in real estate during the January-February period, 27.3 percent up from the corresponding period of last year. But the growth rate for the first two months represents a drop of 30.9 percentage points from the same period of last year.

The report said that investment in energy was increased during the first two months of this year, accounting for 18.3 percent of the country's total investment.

However, only 500 million yuan was invested in agriculture—accounting for only 1.2 percent of the country's total investment—during the past two months, said the report.

It said that the government should pay more attention to agriculture in its investment policy so that the status of agriculture as a basic sector can be strengthened.

**Statistics Bureau Reports Drop in Feb Price Index**  
*OW1703123695 Beijing XINHUA in English 0846 GMT 17 Mar 95*

[FBIS Transcribed Text] Beijing, March 17 (XINHUA)—China's retail price index dropped to 19.7 percent in February, under the 20-percent mark for the first time since June last year, according to the State Statistics Bureau today.

China's retail price index rates dropped monthly since last November—to 25 percent, 23.2 percent and then 21.2 percent.

The bureau said that the inflation situation in the urban areas is quite satisfactory compared with that in the rural areas, adding that more attention should be given to agriculture and circulation.

**Textile Industry To Move From East to Xinjiang**  
*HK1803073695 Beijing ZHONGGUO XINWEN SHE in English 1121 GMT 17 Mar 95*

[FBIS Transcribed Text] Shanghai, March 17 (CNS)—China's primary processed textile industry along its east coast will be gradually moved to Xinjiang Uygur Autonomous Region, a major cotton production base in West China. The move is considered as an important readjustment in distribution of China's textile industry.

Shanghai and Xinjiang have reached an agreement on shifting the textile industry from the city to the region and on other cooperation in this sector. Starting from this year, factories with a capacity of producing 100,000 to 200,000 spindles will be transferred from Shanghai to Xinjiang. Such a large-scale movement of textile processed equipment and technology, from the country's east coast to the west, will be vital for China's textile industry to overcome its difficulties and adjust its product structure. This will also be a new step for the

country's eastern and western parts to promote economic development through mutual assistance.

According to the formulated strategy, the country's coastal areas in future will concentrate on development of deeply processed and high value-added products for export, while the primary processing industry will be arranged in those areas where there are raw materials, said Wu Wenying, Chairman of the China Textile Council.

Shanghai Mayor, Xu Kuangdi, in an interview on the issue, revealed the special relationship between Shanghai and Xinjiang. He added that the two places are now taking a step forward for their mutual cooperation. Meanwhile, Xu said textile equipment transferred to Xinjiang must be guaranteed to go into normal production by the end of this century or early next century. Though it is impossible to move all the equipment from the city to Xinjiang, Shanghai will not be shifting any of its outdated machines to the region. At the initial stage, Shanghai will even send technicians to Xinjiang to train textile workers, and the two places will also go into cooperation to promote sales for their products.

According to Ms. Wu, the westward move will not only cover transfer of equipment but also advanced technology and use of resources, targeting at upgrading product quality and even production level for the entire textile industry.

**Finance & Banking**

**Link to US Dollar To Be Reviewed**

*HK1903052995 Beijing CHINA DAILY in English 18 Mar 95 p 5*

[By Wang Yong: "China To Wean Itself off The Dollar"]

[FBIS Transcribed Text] The drastic devaluation of the US dollar is prompting China to diversify its links with international currencies.

"We should not put all our eggs in one basket," cautioned Zhou Shijian, Vice-President of the Beijing-based Institute of International Trade Research.

He urged the nation to use more types of foreign currencies as means of payment and foreign exchange deposits.

The US dollar dominates the bulk of China's foreign trade activities and foreign exchange reserves.

"We must review the current system that pegs renminbi yuan to the US dollar," Zhou said.

He predicted that a further step-by-step decline in the value of the dollar would be inevitable.

"The dollar's monopoly on international financing markets is set to give way to a new tri-pole system featuring dollars, deutsche marks and Japanese yen," he said.

He based his prediction on the assertion that the US economy has been on the decline, while those of Japan and Germany have gained steam.

"Burdened by domestic and international debts, as well as commodity trade deficits, the US economy is far from being healthy," he noted.

What's more, the US efforts to make itself a "world cop" have also become a burden for its economy, Zhou said.

"This overall economic situation makes the difference (between the greenback of today and yesterday)," Zhou said.

"A weaker dollar tends to come pale upon any major world political or economic turmoils. I believe that as the world economy evolves towards more power poles, this will also be the case with international money units."

The Western foreign exchange markets have been pounded with a whopping devaluation of the greenback since March 3. This follows the fluctuation of the dollar last June.

The dollar hit a record low on March 9, when it was valued at 89.1 yen and 1.37 deutsche marks.

"Although the American economy has grown in the fast lane since 1993, its global share has decreased," Zhou said.

In the 1970s, the US dollar remained a major payment and deposit currency even after the collapse of the Bretton Woods System.

Since the mid 1970s, the United States has accounted for about one-fourth of the world's annual national product.

In its peak period, the dollar was used to settle more than 70 per cent of international trade accounts.

The heavy reliance on the dollar has aroused concern among the world business community.

An incomplete study shows that by the end of last year, dollar had accounted for 62.9 per cent of foreign exchange reserves in every country, Zhou noted.

At the same time, yen made up 8.5 per cent and deutsche mark 13.1 per cent.

By the end of 1993, nearly half of the world's bond transactions were made in US dollars, while only 18.6 per cent were made in yen.

However, as the world economy diversifies, US dollar can no longer sustain such a heavy burden, Zhou concluded.

#### State Lays Down Stringent Guidelines on Foreign Loans

HK1903072795 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English 19 Mar 95 p 1

[By Peter Seidlitz in Beijing]

[FBIS Transcribed Text] China has laid down stringent guidelines for sovereign guarantees on foreign loans in a bid to end confusion about the level of the state's responsibility for bad debts.

Loans made to state industries and banks, including the Bank of China, will not be covered by the state unless specific approval was given, a senior official said in a briefing to journalists. Jin Liquan, recently appointed director of the World Bank department in the Chinese Ministry of Finance in Beijing, made it clear the ministry would not take responsibility for any unpaid debts, credits and obligations Chinese companies and banks had undertaken abroad. The only exceptions would have clear permission and approval from the central Government, he said.

The move comes in the wake of a growing number of foreign companies struggling to recover loans from debt-heavy state enterprises. Mr Jin said it should be understood that the "sovereign state responsibilities" are limited. "We have clearly to distinguish between sovereign risks taken by the People's Republic of China and debts of the state banks and state-owned industry," he said. "The government draws a clear line between itself and state-owned enterprises and even banks with state control," Mr Jin said in Beijing. "It would be wrong for the foreign business and investment community to assume that business done by the state industry sector and state banks, including credits, will automatically have the protection of the state and is understood to be sovereign debt. "Sovereign risk under the new definition is extended only to credits taken up by the Ministry of Finance, like World Bank loans and other official bilateral credit commitments," he said.

Questioned, Mr Jin made it quite clear that business of the state banks, the new commercial banks in China and the Bank of China will not be covered in every case by the Ministry of Finance. "There is a clear difference [between the debts] of the Ministry of Finance and the Bank of China, he said. He said debts other than those credits sanctioned by the ministry and explicitly covered by the Government will not be considered "sovereign risks". "The foreign business community should learn the correct interpretation" of the newly defined sovereign risks policy, said Mr Jin.

He could not say how much of the estimated US\$100 billion (HK\$772.4 billion) worth of debt held by Chinese institutions was sovereign and as such covered by the Ministry of Finance. He also pointed to an official list published last year of about a dozen institutions which were allowed to borrow with state approval. It included companies such as China Investment and International Trust Corporation. The official, referring to the Lehman's row with Min-metals, made it clear these disputes were a problem between the two companies involved and not the Chinese State. "No economy activity is without risk," Mr Jin warned.

He also gave no indication that China was prepared to bow to pressure from German and Japanese leasing

companies—which in most cases were owned by Western banks—and force their Chinese partners to pay back their debts. Almost US\$600 million most of it owed to Japanese companies but with a further US\$100 million owned to German banks including Dresdner and Deutschebank, is owed by Chinese state-owned co-operatives after these companies stopped repayments in 1989.

This business was not covered by the State, claimed Mr Jin. Foreign companies should know "laws, rules and regulations", he said in an interpretation which drew angry comments from foreign banks in Beijing. "Now they changed the rules and claim it was our mistake. That's outrageous," complained a German banker.

### **Banks' Bad Debts Exceed Several Hundred Million Yuan**

*HK2003074895 Hong Kong MING PAO in Chinese 26 Feb 95 p B6*

[FBIS Translated Text] While deliberating the draft "Guarantee Law" yesterday, there were heated discussions at the ongoing 12th session of the Eighth National People's Congress [NPC] Standing Committee.

The 12th Session of the Eighth NPC Standing Committee opened in Beijing four days ago, and deliberation of the draft "Guarantee Law" is included on the agenda. In view of the long-standing practices of not repaying bank loans and of fraud in commodity transactions, the draft will try to ensure the security of bank credit and commodity transactions according to the law.

At the panel discussion, Wang Bingqian, the vice chairman of the NPC Standing Committee who has been finance minister, said: "The practices of blindly developing projects and of going hither and thither to borrow money, irrespective of the ability to repay, are very common. Banks' bad debts total several hundred billion yuan. More currency will have to be issued when there is no way out in the long run, but it is the people who suffer!"

Vice Chairman Li Peiyao said that the provision in the draft which bans government organs from offering guarantees will check the expansion of capital construction to a certain extent.

During the deliberation, Vice Chairman Yang Zhenhuai, who has been minister of water resources, raised an objection to the provisions in the draft which refused to offer mortgages for reservoirs and farmland irrigation facilities. He believed that this was tantamount to blocking the development of China's water conservancy and hydropower. He pointed out that most of the farmland irrigation facilities are built with the peasants' own investment and labor, particularly the wells, pumping and watering equipment, pumping machines, ponds, and small reservoirs. The state encourages and calls on peasants to build such facilities with their own investment. Besides the water for own consumption, they also

may sell water to others and collect service charges. "When there is a shortage of state investment and the irrigation facilities are dilapidated and badly need repair, it will be unreasonable if the peasants' own property cannot be mortgaged."

Wu Shuqing, member of the NPC Standing Committee and president of Beijing University, said that the draft "Guarantee Law" and its explanations proceeded from general principles, believing that schools are public welfare departments so they cannot become guarantors. This will seriously affect the normal operation and development of education, which does not conform to the principle of mustering education funds through various channels.

Wu pointed out that one of the essential channels is the development of school-run industries. In the course of developing school-run industries, it is inevitable that the school enterprise will ask the school to serve as its guarantor in applying for bank loans. The school will carefully examine whether the loan applied by the school enterprise is reasonable and whether it has the ability to repay, and then serve as its guarantor in applying for the bank loan. If the school is not allowed to serve as the guarantor, it will be impossible for school enterprises to exist. Moreover, in the school's budgetary capital construction projects, there is usually a time difference between allocation and payment. To ensure the progress of the capital construction projects, it is necessary for the school to serve as the guarantor and obtain a bank loan. He proposed deleting the provision.

After the first deliberation of the draft "Guarantee Law," the NPC Legal Committee will revise it over and over again in light of the opinions of the members. According to usual practice, a draft law must be deliberated and revised by the Standing Committee twice before it is promulgated.

### **Commentator Urges People To Buy State Bonds**

*HK2003074995 Beijing RENMIN RIBAO in Chinese 28 Feb 95 p 1*

[Commentator's article: "Buying State Treasury Bonds Can Benefit the Country as Well as the People"]

[FBIS Translated Text] The work in issuing state treasury bonds for 1995, one which the broad masses of people are generally interested in, will officially begin tomorrow. It is a big matter in the current economic life and a big matter in the effort to further deepen the reform and safeguard this year's economic work.

The issuing of state treasury bonds to raise state construction funds in a compensated way is a prevailing international practice. The practice in our country since reform and opening up has also proved that issuing state treasury bonds is of great significance to supporting the development of key projects and undertakings in the country, supporting the country's reform and opening

up, and ensuring a sustained, rapid, and healthy development of the national economy. This year, the CPC Central Committee and the State Council view checking inflation as the first priority in economic work. To check inflation, it is necessary to practice an appropriately tight financial policy and monetary policy, strictly control the scale of investment in fixed assets and the excessively rapid increase in consumption funds, and support agricultural, scientific, technological, and educational undertakings and the development of other basic and key industries. Raising funds in a compensated way through issuing state treasury bonds to concentrate some idle funds can guarantee the development of the key construction projects and undertakings in the country and can directly increase the recovery of paper money, thus, it is conducive to checking inflation, stabilizing the economy, and stabilizing the people's livelihoods.

Issuing state treasury bonds can also provide the broad masses of people with a safe, reliable, and flexible means of investment which has preferential benefits. State treasury bonds are guaranteed by state credit, compensation is ensured, and one condition for issuance is to fully consider protection of the immediate interests of the buyers. Furthermore, there are many locations where the bonds can be bought or cashed so, when the masses buy state treasury bonds, they will find it more convenient compared with last year. Buying state treasury bonds is an embodiment of development of patriotic spirit and support for the country's construction and the best way for the broad masses of people to realize value proof and an increase in the value of their assets.

This year, the three-year certificate-type state treasury bonds not only maintain the various advantages of last year but also have a new improvement, that is, the annual interest rate is increased from 13.96 percent to 14 percent, which is 1.76 percentage points higher than the interest rate for savings deposits in banks. Value proof is continuing to be practiced, whereas the time of issuance has been appropriately moved forward so that the masses can buy at an earlier time and reap profits sooner. This year, the number of locations to sell and cash certificate-type state treasury bonds has also been greatly increased. Apart from the savings counters in the five major banks, namely the Industrial and Commercial Bank of China, the Agricultural Bank of China, the Bank of China, the People's Construction Bank of China, and the Communications Bank of China, the savings deposit centers managed by the post and telecommunications system and the state bonds service departments under the Ministry of Finance can also perform the formalities. In order to support the reform of the financial system, foster and develop the circulation market for state treasury bonds, and satisfy organizations' and individuals' needs for investment in state treasury bonds, this year we will also issue three-year state treasury bearer bonds with an annual interest rate of 14.5 percent, which is 2.26 percentage points higher than that for savings deposit in banks for the same period of time. This kind of state treasury bond does not have value-proof subsidy but can

be circulated and transferred. This shows that issuing state treasury bonds this year not only fully considers the interests of the buyers of state treasury bonds but also takes into account the different investment needs of various types of investors. Therefore, they will surely be welcomed by the broad masses of people.

There are many conducive conditions for fulfilling this year's plan of issuing state treasury bonds. The national economy will maintain a good development trend, the price increase rate has slowed down, the financial order is normal, the living standards among urban and rural people continue to improve, and the savings deposits made by residents have greatly increased; all these have provided an important material basis for the issuing of state treasury bonds.

To ensure that this year's plan to issue state treasury bonds can be smoothly accomplished, governments at various levels should strengthen leadership of this work; financial departments, banks, post and telecommunications departments, and other departments should strengthen coordination and closely support one another, to do a good job in organizing sales, propaganda, and mobilization; and the savings deposit locations managed by banks and post and telecommunications departments, as well as securities brokers, should extensively establish networks and locations and take various measures to provide convenience for the people, to ensure that the people can conveniently buy state treasury bonds. So long as various quarters do a solid job and earnestly arouse the enthusiasm of the broad masses of people for buying state treasury bonds, the accomplishment of this year's plan of issuing state treasury bonds is guaranteed.

#### H-Share Listings Aborted Due to Debt Problems

*HK1803054595 Hong Kong HONGKONG STANDARD (FINANCIAL REVIEW) in English 18 Mar 95 p 1*

[By Chan Po-chung]

[FBIS Transcribed Text] The massive debt problems of its state-owned enterprises have forced China to abort the planned Hong Kong listing of several of the second batch of H shares, including steel giant Wuhan Iron and Steel (Wugang), according to a merchant bank source involved in the issue.

The source said the reasons behind the freeze were Wugang's huge triangular debts and the relentless plunge in steel prices. "Besides Wugang, the fate of several other Chinese state-owned enterprises, including Panda Electronic, is also quite bleak," he said. Officials of Merrill Lynch, sponsors of Wugang's listing, were unavailable for comment yesterday. Wugang and Panda are in the second batch of Chinese state-owned enterprises selected by the State Council for listing on the Stock Exchange of Hong Kong.

In China, the mainland securities authority has approved the partial conversion of Yizheng Chemical

Fibre's massive mainland share issue into a Hong Kong issue. However, S G Warburg corporate finance division director Nicole Yuen said the arrangement was still at an embryonic stage. She said it was too early to say what the placement price would be because the proposal was awaiting approval at an extraordinary general meeting on 20 April. "As a matter of fact, the company has yet to decide whether it will go ahead with the proposed alteration or not," she said. S G Warburg, the Yizheng issue sponsors, has six months to fix the deal.

Ms Yuen said the plan would not harm the H-share market. Officials from the Stock Exchange of Hong Kong and of the Securities and Futures Commission (SFC) share that view.

Stock Exchange listing division head Herbert Hui said the proposal would largely depend on Yizheng shareholders. An SFC spokeswoman said that if Yizheng complied with the listing rules and the size of the issue was not too huge, then the company would not need to apply for approval. Yizheng, which issued and listed one billion shares on the stock exchange last March, had intended to issue 600 million A-class shares on the Chinese market—reserved for Chinese investors. Instead, the company now plans to issue 400 million H shares in place of A shares because of the current state of the market and on the advice of the China Securities Regulatory Commission.

Yizheng's share business office deputy director Wang Chunqi said the 600 million shares might be too much for the Chinese market to absorb. He said Yizheng's H share issue must be approved by shareholders, who would meet on 20 April. But the listing of the 200 million A shares with a par value of one yuan (90 HK cents), issued in January at 2.68 yuan each on the Shanghai Stock Exchange, was still, being considered by Shanghai exchange officials.

#### **Electronic Trading System Simplifies Trading in Bonds**

*HK1703071895 Beijing CHINA DAILY in English 16 Mar 95 p 7*

[By Tong Ting: "NET Simplifies Trading in Bonds"]

[FBIS Transcribed Text] China this week started to sell and trade its treasury bonds through an electronic trading system as part of the country's target to build a united, efficient and reliable treasury bonds market.

Approved by the Ministry of Finance, China Securities Trading System Co (CSTS) will sell 200 million yuan (\$23.8 million) worth of this year's three-year standard treasury bonds and provide trading services in its National Electronic Trading System (NET), a CSTS official said.

The sales run from March 14 through March 20.

The NET system underwrites the total amount of the treasury bonds instead of distributing them to different securities companies.

The official said this method makes it convenient for investors to purchase such bonds and helps link up issuance and trading.

The investors can go to the 80-plus securities companies under the NET system to open accounts and purchase the standard treasury bonds commission-free.

In addition, the NET system can provide a complete set of services including purchase, custody, trading and redemption which simplifies the process, the official said.

He said that investors who plan to buy large amounts of bonds can directly contact the CSTS to purchase the standard treasury bonds.

After the completion of sales, investors can conduct spot trading and repurchase business through the NET system.

The official also revealed that CSTS will help enterprises to issue corporate bonds and policy-driven financial bonds this year.

CSTS, established in 1993, is a pilot in bonds and stocks issuance through the NET system in China.

So far, CSTS has sold bonds and stocks in renminbi and foreign exchanges for over 20 domestic enterprises with a total value of about 500 million yuan (\$59.5 million).

#### **Liaoning Official Says Province Needs Stock Exchange**

*HK1703074295 Beijing CHINA DAILY in English 17 Mar 95 p 5*

[By Lu Hongyong: "Liaoning Official Says Stock Exchange Needed"]

[FBIS Transcribed Text] Shenyang—Liaoning Province, the economic power in Northeast China, stands to regain its lost economic vigor through outside funding, foreign investment in the manufacturing sector and the creation of new jobs.

That's why the province wants its capital city of Shenyang to be the site of a North China stock exchange, should the State consider opening one, said Zhao Xinliang, director of the provincial planning commission.

"Shenyang is well grounded to be the host city," he said. However, he acknowledged, Wuhan of Hubei Province and Tianjin are also bidding for the suggested stock exchange.

Shenyang is the pivotal city between the two economic blocks of Northeast China and North China, and negotiable securities available to be traded here are worth 10

billion yuan (\$1.19 billion). Dealers and managerial personnel also are available there.

Most of the local industries need a major pickup through ample funding, but that's unlikely if they rely solely on State banking institutions to cough up the money, he said. Local enterprises complain of the distance from Shenyang the existing money markets in Shenzhen and Shanghai and consider commission houses often ineffective and unreliable, he said.

A stock exchange at home will help local industries get used to fund-raising on the money market, while local residents make extra money from stock exchanges, he said.

Following the founding of two foreign branch banks in Dalian, he said, Liaoning would like to see foreign banks open more branches in Shenyang, Jinzhou and Yingkou.

Foreign banks can also team up in joint ventures with domestic banks such as the Everbright Bank and the Citic Bank of China, he said.

Another way is for overseas financial groups and non-banking institutions in China to set up joint venture investment fund management companies, he said. The three ideas may help if they get State approval, he said.

In addition, for power plants, highways, water conservancy and other infrastructure sectors where returns are low as a result of State-controlled pricing, the State must see to their funding through creation of specified funds at discount credit rates, he said.

Speaking of Liaoning's 1996-2000 five-year plan, which awaits State deliberation, Zhao expressed his hope that the State support the province's sectors of colour television sets, steel processing, automobile engines and aircraft-making in their efforts to bring in foreign investment.

The Shenyang Aircraft Manufacturing Corp has received orders from the Canadian Dash-8 producer of de Havilland Inc, an arm of the Quebec-based Bombardier Inc. It's also teaming up with the Canadian company to run a joint venture feederline passenger aircraft assembling plant in China.

#### **Wuhan Becomes Financial Center for Central China**

*OW1803023795 Beijing XINHUA in English 0233 GMT 18 Mar 95*

[FBIS Transcribed Text] Wuhan, March 18 (XINHUA)—The provincial capital of central China's Hubei Province has come to be the financial center for central China with a group of new financial institutions emerging, according to an official with the Wuhan city branch of the People's Bank of China, China's central bank.

Preliminary calculations show that by the end of last year, the city had various kinds of financial institutions numbering 1,923, twice the number in 1991, including 300 institutions for securities transactions.

Last year, financial institutions in the city circulated funds amounting to 17.71 billion yuan and traded state bonds worth 447 billion yuan, the largest amount in the whole of China.

The fast development of the city's financial market is mainly due to the reforms and opening-up across China in recent years and the series of regulations and new measures set forth by the city government as well, according to the branch bank official.

#### **Shenzhen To Raise Margin Requirement for Futures Traders**

*OW1803010795 Beijing XINHUA in English 0056 GMT 18 Mar 95*

[FBIS Transcribed Text] Beijing, March 18 (XINHUA)—The Shenzhen Stock Exchange, starting March 20, will increase the margin requirement for treasury bond futures traders, according to the "SHANGHAI SECURITIES NEWS".

The paper reported that a circular issued by the exchange said that the margin for bond futures investors will be raised from 500 yuan (59.5 U.S. dollars) per hand, or five percent of the standard contract price, to 1,000 yuan per hand, or ten percent of the contract price.

The maintenance margin, in addition, will be increased from 300 yuan per hand to 600 yuan, the paper said.

Meanwhile, the exchange will also raise the margin for brokers from 300 yuan per hand to 500 yuan.

All traders and brokers who have already registered with the exchange are asked to fill the margin before April 6, according to the paper.

### **Foreign Trade & Investment**

#### **Plastic Industry To Import More Raw Materials**

*OW1703113795 Beijing XINHUA in English 1030 GMT 17 Mar 95*

[FBIS Transcribed Text] Beijing, March 17 (XINHUA)—China is expected to boost raw materials import for plastic industry in 1995 owing to the increased demand and insufficient production capacity at home.

In 1995, industrial sources said here that China is predicted to produce 406,000 tons of high pressure polyethylene, falling short of the estimated demand of 1.195 million tons.

Meanwhile, the production of low pressure polyethylene is projected at 527,000 tons, which is some 198,000 tons short of the expected demand.

The production of linear polyethylene is posed to reach 178,000 tons in 1995 against a prospective demand of some 329,000 tons; the output of polypropylene would hit one million tons against the possible demand of 1.54 million tons.

To meet the heavy demand, the sources said, a large amount of foreign products will be imported, but they declined to quote the exact amount.

Besides, China plans to produce some 78,000 tons of ABS [expansion unknown] resin in 1995 against an expected demand of some 200,000 tons. The gap would be filled with the ample inventories as a total of more than 700,000 tons of such products were imported in the previous year.

#### **Beijing Signs Coal Pipeline Agreement With U.S. Firm**

OW2003113795 Beijing XINHUA in English 1012  
GMT 20 Mar 95

[FBIS Transcribed Text] Beijing, March 20 (XINHUA)—China has signed an agreement with the Pittsburgh-based Custon Coal Co. of the United States on a coal slurry pipeline project.

The 888.6 million U.S. dollar project involves an 805-km underground pipeline, a coal washery and port facilities.

The pipeline, the longest of its kind in the world, will start from Shanxi Province, a leading coal base in Northern China, and end at the coast in Shandong via Weifang, a port city in Shandong Province, east China.

The project will be able to process 2,000 million tons of raw coal into slurry in Shanxi a year, and send it to coastal ports through the planned pipeline. Of the yearly output, five million tons will be used by the Weifang Power Plant.

To employ Black Mesh slurry pipeline and coal washing technologies provided by the United States, the project will help ease the strained energy supply for the booming coastal economies in southeast China.

The first-phase ground work is scheduled to start soon and to be completed by the end of 1997.

#### **U.S. Company Aims To Tap Shanghai Telecom Market**

OW1703131095 Beijing XINHUA in English 1156  
GMT 17 Mar 95

[FBIS Transcribed Text] Shanghai, March 17 (XINHUA)—The 3-Com Company of the U.S., a world leader in digital telecommunications technology, is to set up a branch in this, China's largest metropolis.

This is part of its effort to tap the lucrative telecommunications market in Shanghai and its surrounding areas,

where a large number of big enterprises are located, according to Dong Zhenxiong, chief representative of the branch.

The U.S. company has been seeking cooperation with Shanghai enterprises in such ways as providing an automatic office system for the steel giant Baogang, and supplying a global digital network for the Shanghai stock exchange.

The company has established research, manufacturing, marketing, sales and supporting bodies all over the world, whose annual sales exceed 1.2 billion U.S. dollars-worth.

It opened a representative office in Beijing last year.

#### **Shanghai Court Gives 1st Trademark Violation Sentence**

OW1703050795 Beijing XINHUA Domestic Service in Chinese 0747 GMT 13 Mar 95

[By Correspondent Li Pu (2621 2528) and Reporter Zhou Jierong (0719 6043 5554)]

[FBIS Translated Text] Shanghai, 13 Mar (XINHUA)—The Shanghai Luwan District Court recently charged Feifeng Thread Plant in Jiangsu's Wuxi County with a trademark violation and ordered it to pay a 7,000 yuan fine. Zhang Minjiang, who was directly involved in the case and is the plant's director, was given a one-year suspended sentence. Counterfeit products and illegal gains seized from this plant were also confiscated.

This is the first sentence handed down in Shanghai to a legal person for criminal trademark violation. For the period between May and June last year, the Feifeng Thread Plant of Wuxi County had passed off a polyester fiber thread trademark, made by a Shanghai thread plant, as being its own, and signed a contract with a local company worth over 430,000 yuan.

#### **Hebei Holds Foreign Economic, Trade Work Conference**

SK1903064595 Shijiazhuang HEBEI RIBAO in Chinese 19 Feb 95 p 1

[By reporter Liu Wenbo (0491 2429 3134), Wang Xin (3769 2500) and Bai Zhihong (4101 1807 1347): "Actively Cultivate and Organize Industrial Manufactured Goods for Export"]

[FBIS Translated Text] "Our province has been slow in the development of economic and trade work and has remained stagnant in this aspect for several years. The main reason for this is that the structure of the export commodities is irrational and the proportion of industrial manufactured goods in the province's total value of export commodities is too small. It is necessary to actively cultivate and organize industrial manufactured goods for export and enable our province's foreign economy and trade to enter a new stage." This statement

was given by Vice Governor Guo Hongqi at the provincial foreign economic and trade work conference which ended today.

In 1994 our province's foreign export trade amounted to \$2.52 billion. If the export of crude oil was excluded, exports of the ordinary trades, three types of foreign-funded enterprises, and barter trade totalled \$2.11 billion, showing an actual increase of 32.56 percent over the previous year, marking the year with the highest increase in the province's foreign export trade since the building of ports in 1987. The increase in exports was higher than the national average by 1.86 percentage points. Thus, we succeeded in realizing the export work target of "fulfilling the annual export plan, exceeding the national level of increase, guaranteeing that the province will rank ninth in the country in exports, and striving for ranking eighth" put forward by the provincial party committee and government.

At the provincial foreign economic and trade work conference held from 16 to 18 February, the provincial party committee and government have defined our province's main tasks and objectives for this year's foreign economic and trade work: If the export of crude oil is excluded, the export of ordinary trades, the three types of foreign-funded enterprises, and barter trade should be \$2.533 billion, up more than 20 percent over the previous year, the actual increase should be higher than the growth of the province's gross domestic product; and the province should guarantee that it will rank eighth in exports in the whole country. The contracted sum of the construction projects and cooperative labor services abroad should reach more than \$30 million, and the dispatch of labor service workers should be more than 2,000 people. We should strive to make the use of foreign government loans exceed the figure of 1994.

Guo Hongqi said: On a long-term basis, the key to fulfilling the tasks defined by the provincial party committee and the provincial government and enabling the province to make new breakthroughs and enter a new stage in foreign economic and trade work is to actively cultivate financial resources; and viewing the present situation, the key to success is to vigorously organize the source of goods. He analyzed the situation and said: To expand the development of foreign trade, the fundamental thing to do is to produce high quality, high technological content, and high added-value commodities that meet the needs of the world market. Although our province has adjusted the structure of export commodities, it still falls short of the demands. The export of industrial manufactured goods accounts for 72.65 percent of the total volume of exports, but most of them are roughly processed products. The export of machinery and electronics products only accounts for 9.31 percent of the total volume of exports, showing that the proportion of these products is too small. So, we must vigorously cultivate and organize the export of industrial manufactured goods.

Guo Hongqi stressed: It is necessary to unswervingly implement the strategy of developing "large-scale economy and trade," consolidate and upgrade the mainstay position of the provincial foreign trade companies, develop and expand the city and prefectural foreign trade companies, cultivate and develop the forces of various sectors, and strive to realize the objective of "making the main forces of four sectors enter a higher level, upgrading the scale of key products, and enabling competitive products to maintain their superiority and a number of enterprises achieve breakthroughs."

Guo Hongqi also touched on the issues that banks should actively support foreign export trade and governments at all levels should pay attention to foreign economic and trade work.

### Shandong To Improve Foreign Investment Environment

OW1803075695 Beijing XINHUA in English 0726  
GMT 18 Mar 95

[FBIS Transcribed Text] Qingdao, March 18 (XINHUA)—East China's Shandong Province will draw up economic and social development plans for the period between 1996 and 2010, according to Song Fatang, deputy governor of the province.

Coastal regions in Shandong will further improve their investment environment to give full rein to the economic development zones, hi-tech development zones, and bonded zones, Song said while speaking at the opening ceremony of the '95 Qingdao Foreign Trade Fair held in this scenic beach resort.

Preferential policies will be passed to tap the abundant natural resources in western Shandong, and government offices at each level are to operate more efficiently in creating more opportunities for overseas investors, Song explained, adding that Shandong will exert more effort in its foreign trade and economic cooperation.

Machinery and electronics exports, a whole array of large equipment, and technology will receive official support, while joint ventures will be encouraged to import raw materials, process products for export, and assemble export items with imported parts, he said.

Foreign capital will be introduced to develop natural resources, agriculture, the Yellow River delta, and projects involving power, communications, and major materials, and more export-oriented commodities and projects will be pursued, as Shandong pays attention to storage, transportation, retailing, foreign trade, finance, insurance, and other service sectors, he said.

The area of cooperation will be broadened, and flexible measures will adopted, he added.

## Agriculture

### Interview With Song Jian on Agriculture

HK2003055895 Hong Kong TA KUNG PAO in Chinese  
16 Mar 95 p a3

["Special dispatch" by staff reporter Ma Ling (7456 3781): "Song Jian Says Two Fronts in China's Scientific and Technological Development Are Agriculture and High-Tech Industry"; photo caption indicates interview held 15 March]

[FBIS Translated Text] Beijing, 15 Mar (TA KUNG PAO)—In an interview with TA KUNG PAO Director Wang Guohua and General Editor Zeng Chengde in his office in Zhongnanhai, Song Jian, state councillor and minister of the State Science and Technology Commission, said: As of the end of 1994, the major economic indexes as confirmed for the Eighth Five-Year Plan were fulfilled a year ahead of time. It is expected that by the end of 1995, the Eighth Five-Year Plan can be overfulfilled. We are now formulating the Ninth Five-Year Plan with three objectives in mind: "upgrading social productive forces, enhancing comprehensive national strength, and improving living standards."

He said: In China, there are now two major fronts in the development of science and technology: agriculture and high-tech industries.

He said: Viewed from China's national conditions, if agriculture is not aided by science and technology or not industrialized, it will be impossible for 800 million peasants to get rich and it will be difficult to expand overall national strength. Although China was late in applying high technology in rural areas, with our efforts for nearly 10 years from the Sixth Five-Year Plan through the Seventh Five-Year Plan, we have built a number of comparatively well-equipped laboratories and made marked progress in basic scientific research and in the practice of production. High technology has been introduced into various sectors of agriculture, such as crops, hybrid plants, the application of biotechnology and nuclear technology, animal husbandry, improving animal species through genetic engineering, and improving animals through embryonic engineering. As for aquatic products, there are now factories for artificially breeding fish fry, which has kept China's freshwater aquatic breeding in the leading position. Numerous achievements have been made in the application of satellite photographic data and computerized processing to predict the condition of fish and in the application of radiation technology to preserve aquatic products.

He said: China has seen good results in the development of its high-tech industries. As of the end of 1994, a total of 1,940 state-level Torch Plan projects and 4,750 local Torch Plan projects organized under the Torch Plan, a high-tech plan that began in 1988, had been initiated, and a total of 142.7 billion yuan in additional gross

industrial output value and 24.4 billion yuan in profits and taxes were realized. In addition, there are now 52 state-level high-tech industrial development areas with 12,000 recognized high-tech enterprises (of which 150 enterprises have output value exceeding 100 million yuan each). They have achieved an aggregate total income of 198.8 billion yuan, a total industrial output value of 158.4 billion yuan, and 24 billion yuan in taxes and profits. He told these reporters that in the sphere of high technology, in these days, China is competitive in the world in telecommunications, software, biotechnology, and aerospace. He specifically mentioned a new telecommunications switchboard invented by an academy in Zhengzhou, saying that since its announcement to the world and since the decision was made regarding its production, it has drawn the close attention of related industries around the world. Switchboards on the market have suddenly decreased by 40 percent in price, from \$140 to \$100. We can see from this that the invention and its production are fairly competitive.

Song Jian said prospects are good for mainland technological cooperation and joint development with Hong Kong and Taiwan. He said: Projects currently under study among the three places include strengthening exchanges among scientific and technological circles and universities. They are now jointly researching and developing some scientific and technological issues. For example, the mainland is considering supplementing advantages with Hong Kong in the development and application of technology. That is to say, as a designer and a window on the outside world, Hong Kong is responsible for financing, management, and the market while the Zhujiang Delta areas or other inland areas on the mainland will serve as development and production bases. Regarding mainland technological cooperation with Taiwan, they are now jointly researching such areas as meteorology, seismology, oceanography, and geology. Furthermore, they are jointly researching Chinese-character computer input and processing systems.

He said: In line with the demands of the "Outline for 10-Year Development of the Torch Plan," by the end of this century China's high-tech industries will have achieved a total annual aggregate income of 500 billion yuan, of which 20 percent will be earned from exports. Income from the sale of high-tech products will account for 10 percent annually of China's gross industrial output value and will contribute 100 billion yuan in annual profits and taxes.

Looking to the future, he stressed that by the end of this century, China needs to continue to exert itself in seven areas: 1) high-tech industrial bases and high-tech industrial development areas; 2) promote the rational layout and readjustment of newly-emerging pillar industries' industrial structure and product mix; 3) regarding the modern enterprise system, form high-tech enterprise groups and multinational groups with income exceeding 100 million yuan or reaching one billion yuan each; 4) use high technology to transform the large and medium-sized model enterprises of traditional industries; 5)

upgrade the technological and management levels of township and town enterprises that are in a position to be upgraded; 6) enable a large number of private-run enterprises to expand in scale as soon as possible; and 7) train a contingent of modern entrepreneurs who are acquainted with technology, good at management, and conversant with enterprise operations.

### Prices for Agricultural Products To Rise

HK1803071895 Beijing ZHONGGUO XINWEN SHE  
in English 1155 GMT 17 Mar 95

[FBIS Transcribed Text] Beijing, March 17 (CNS)—According to Chinese government departments concerned, price of agricultural produce will be on the rise, and supply of these products will become more tense in the country.

Sources say that there is a large gap between a huge demand and lack of supply in agricultural and sideline products in China, and this trend will continue in the country. In order to fill the gap, some measures will be taken including use of grain reserve and grain imports from foreign countries. Owing to difficulties in purchasing grain by the state in some regions and adjustment of policy on importing grain, it is predicted that prices of wheat and rice will continue to increase. Prices for maize and soya bean will continue to increase as the result of large net volumes of export and the increasing demand by China's domestic market. Contradiction between demand and supply of cotton is still sharp. Stock of edible oil and sugar has decreased, so they will be better sellers. The number of live pigs has reduced, and demand continues to increase hence pushing up future prices.

It is predicted that there will also be chain reactions in price rise of other sideline products, such as poultry and other livestock products.

### Grain Imports To Continue as Surplus Wanes

HK1903081195 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19:25 Mar 95 p 1

[By Li Yan: "Importing Grain To Be Continued"]

[FBIS Transcribed Text] China's grain imports probably will increase steadily because the surplus is waning.

China has a grain reserve of 700 million tons, and annual demand is 520 million tons, the officials reckoned according to grain production and consumption in recent years.

The 700 million-ton reserve includes an annual grain production of 450 million tons, national stock of 121 million tons farmer's family stock of 120 million tons, and an annual import of about 12 million tons. The current surplus of supply over demand should not impede the continued effort to increase grain production, because the favourable condition is temporary, agricultural officials cautioned.

Despite the surplus, China will see a closing gap between grain supply and demand in the coming years, because the increase in grain production cannot catch up with the market demand, said Zhu Mei, an official with the Ministry of Agriculture Information Centre.

However, per capita grain reserve is still less than 400 kilograms, compared with world average of 412 kilograms and 1,000 kilograms in the developed countries.

Grain production will not see a big jump over the next few years due to the continuous loss of farmlands to the use for industry and construction.

Meanwhile, the per-unit yield of grain will soon reach its summit and then decrease, as the fertility and quality of soil declines. Plus, the climbing costs for growing grain has greatly reduced farmers' interest in this sector, Zhu said.

China has had a steady increase of grain production in recent years because of the rising per unit yield, Zhu said.

However, the market demand for grain will keep rising over the next years.

With the improving of people's living standard, per capita consumption of meat will increase resulting in an increasing demand for forage grain to feed domestic animals and livestock.

If per capita meat consumption increases 2 kilograms per month, market demand for grain will increase 120 million tons annually, Zhu estimated.

Meanwhile, population increase and industrial development will also result in a tighter grain supply.

The annual population increase of 16 million will demand a 4 million ton increase of the grain supply, the officials said.

### Nation To Ensure Self-Sufficiency in Grain Supply

OW1903032895 Beijing XINHUA in English 0137  
GMT 19 Mar 95

["Roundup: China's Struggle for Self-Sufficiency in Grain Supply"]

[FBIS Transcribed Text] Beijing, March 19 (XINHUA)—China has been making unusual efforts recently to ensure its self-sufficiency in the grain it uses for 1.3 billion people in the near future.

Some domestic and foreign scholars have repeatedly voiced concern over whether China will be able to produce enough food for its growing population, as industrialization continues to eat up large chunks of farmland each year.

The appointment of Jiang Chunyun as deputy premier in charge of agriculture last week is one of China's latest efforts to revitalize its agriculture, analysts said.

Before he took office in Beijing last year, the new deputy premier served since 1988 as local Communist Party chief and governor of Shandong Province, one of China's biggest grain and cotton producers, and is widely considered to be experienced in agriculture.

China plans to increase its annual grain production by 50 million tons, to 500 million tons, the minimum amount needed to remain self-sufficient with a population that is expected to be 1.3 billion by the year 2000.

Chinese leader Jiang Zemin told a national meeting on agriculture earlier this month that "in such a big country with a population of 1.2 billion, we must be self-sufficient in grain production, and balance supply and demand in the area of grain. Individual provinces must get their grain supplies by increasing their own grain production."

Other major efforts to ensure this will include substantial increases in the amount of investment in agriculture, water conservancy, agrotechniques backed by both the central and provincial governments, nation-wide farmland protection, and formulation of detailed plans to increase grain production.

The central government has ordered plants producing chemical fertilizers to work at full capacity to ensure adequate supplies and is prohibiting excessive price hikes.

Last week it promised a 24.9 percent increase in construction in agriculture, and earmarked 40 percent of its increased non-business investment capital for farming and farming-related projects.

The Ministry of Agriculture drew up a plan to improve 20 million ha of middle- and low-yield farmland, and to develop two million ha of wasteland. This move that is expected to increase the annual grain output by 40 million tons, and experts believe that per-unit yield could be raised by at least 10 percent if the currently available advanced agrotechniques and improved varieties of crops were put to extensive use.

Gu Xiulian, the minister of chemical industry, which produces the country's chemical fertilizers, farm chemicals, and plastic sheeting, vowed to spare no efforts to produce as much as farmers need.

Last week, China restructured its grain, cotton, and chemical fertilizers trading system, in a move to balance supply and demand and control illegal price increases for agricultural materials.

By generally producing enough to eat and wear for its huge population, China has surprised the world, since its population accounts for 22 percent of the world's total, but its farmland amounts to only seven percent of the world's total.

However, as a sharp contrast to the rapid industrial development, agricultural production has fluctuated in recent years, as many local officials and farmers pay more attention to more profitable business ventures, and large amounts of farmland and capital earmarked for agriculture get lost to non-agricultural industries.

But at the same time, the demand for grain and other farm produce is not decreasing, as the population continues to increase by 15 million a year and per capita consumption of food goes up.

Increasing food production and supplies is believed to be the most effective way, along with tight controls on fixed asset investments, to hold down the double-digit inflation, which is mainly driven by food price hikes, and to achieve sustained rapid economic growth.

### Overproduction of Cotton Yarn To Be Curbed

OW1703111095 Beijing XINHUA in English 1034  
GMT 17 Mar 95

[FBIS Transcribed Text] Beijing, March 17 (XINHUA)—China will continue to curb the overproduction of cotton yarn in 1995 as an attempt to strive for a healthy development of the country's textile industry, according to China National Textile Council, which oversees the industry.

To this end, a quota for the year's cotton yarn production has been set at a recent national textile meeting, but targeted production is not yet known.

According to a circular of the council, China produced a total of 25.63 million bales of cotton yarn in 1994. Despite a decline of 5.41 percent less than that of 1993, it still exceeded the target of 24.98 million bales by 2.64 percent, the circular said.

### Experts Warn Shrinking Farm Land Serious Problem

HK1903081795 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 Mar 95 p 8

[By Zhao Liang: "Crops VS Concrete Crisis Raises Voices of Concern"]

[FBIS Transcribed Text] China is facing a feed problem: shrinking farm land for growing population.

Grain-growing land area has dropped below the warning line of 110 million hectares and the government should take effective steps to control the situation, experts warn.

China's farmland for grain production decreased from 112 million hectares in 1957, to 95.4 million hectares in 1992, according to Deng Yiming, senior research fellow with the Rural Development Institute of the Chinese Academy of Social Sciences and deputy secretary-general of the Chinese Rural Economy Management Research Institute.

In 1957, 83.7 percent of cultivated land was devoted to grain production; by 1983, the figure had dropped to 76.4 per cent, and in 1992, it was down to 74.1 per cent.

Though in 1993, grain-growing land reached 110.5 million hectares, the area dropped to 109.33 million hectares last year.

Deng expressed concern over the figures.

He said that with the shrinkage in farmland and in particular, land devoted to grain production, China would find it hard to produce 500 billion kilograms of grain in 2000, a target set by the central government.

In 1994, China produced 444.6 billion kilograms of grain, a decrease of 11.9 billion kilograms from 1993. The per capita output was 370 kilograms.

With the yearly 1.2 per cent growth of population taken into account, the recommended minimum 400 kilograms per capita grain production seems almost impossible to attain by the end of the century, Deng said.

He expressed also the worry that per capita grain output could be lower in 2000 than it is today. That could result in higher grain prices and disrupt the country's economic situation as a whole.

Scientific calculations show at least 400 kilograms of grain per capita are needed annually to ensure adequate supplies for human consumption and for the production of sufficient meat, eggs and dairy products.

Deng listed reasons for the decreases in farmland.

He said that the rural economic readjustment has ignored the overall agricultural balance in recent years, and should take most of the blame for the unpleasant situation.

Of last year's total farmland decrease of 713,000 hectares, 453,000 hectares were changed into forests, grazing land and fish ponds.

Deng also attributed the decrease to the country's booming infrastructure construction and growth of rural enterprises.

Unrestricted building of houses and tombs was another reason for the farmland decrease, Deng said.

In order to hold back the shrinkage in farmland and particularly, the decrease of grain-growing land, Deng proposed that the government firmly enforce the new Land Law and related laws and regulations.

Compared with Deng's pessimistic outlook, Zhou Zhixiang, professor of economics with the People's University of China and rural economy consultant for the Beijing municipal government, was optimistic about China's agriculture over the next six years.

Like Deng, Zhou also emphasizes the importance of effective implementation of laws and regulations to help restrain the decrease of the farmland.

With these measures in place, he believes China can turn out 500 billion kilograms of grain in 2000.

From 1952 on, the country's grain output has increased about 50 billion kilograms every five to six years, although it has hovered around 450 billion kilograms ever since 1989.

Zhou predicted that China's grain production would witness an increase of about 50 billion kilograms by the end of the century, despite the decreasing area of land used in grain production.

### Anhui To Boost Agriculture With Science, Technology

OW1803084895 Beijing XINHUA in English 0813  
GMT 18 Mar 95

[FBIS Transcribed Text] Hefei, March 18 (XINHUA)—East China's Anhui Province hopes to get ten billion yuan in agricultural output value this year by emphasizing advanced scientific and technological development.

The rate of improved strains is expected in the province to reach 79 percent this year, with those of grain, cotton and edible vegetable oil exceeding 90 percent, local officials said.

The province will exert great efforts at boosting "high-quality, high-efficiency, and high-yield" agriculture, upgrading the processing industry for agricultural and sideline products, and spreading the use of advanced agro-technology among local farmers by further developing its 2,000-some agro-tech centers, they explained.

The local government plans to allocate large sums of special funds for agricultural production, and the provincial branches of commercial banks will set aside nine percent of its newly-advanced loans for agricultural science and technology development.

### Hebei Governor Joins in Discussion on Farming

SK1803040395 Shijiazhuang HEBEI RIBAO in  
Chinese 22 Feb 95 p 1

[FBIS Translated Text] On the afternoon of 21 February, Governor Ye Liansong came to the delegations of Shijiazhuang, Qinhuangdao, and Zhangjiakou to discuss the "Government Work Report" and the grand plan of making the province strong, with deputies.

When joining in the discussion held by the delegation of Shijiazhuang, Governor Ye Liansong sat with the deputies and listened hard to the opinions raised by deputies while earnestly noting down the suggestions of deputies. Deputies spoke out freely on issues of cotton production, agricultural input, rural public health and medical, and of boosting large and medium-sized enterprises; as well as freely in discussing the government work report, in

voicing their ideas, and in putting forward their suggestions. Ye Liansong voiced his opinions during the enthusiastic discussion of cotton production. He stated: The current enthusiasm of planting cotton crops in some rural areas is not high and the chief reasons for this phenomenon are the large volume of input and low output. The key to vigorously developing cotton production lies in upgrading the yield per unit area. Only by handling this phenomenon will peasants have enthusiasm in it. The per-mu yield of cotton scored by some localities in Handan and Xingtai last year was around 300 to 400 jin and the enthusiasm of peasants in these localities was very high. If the per-mu yield of ginned cotton were from 60 to 70 jin, peasants would feel better to plant grain crops instead of cotton. In planting cotton crops, we should take economic results into consideration on the one hand, and state needs into consideration on the other hand. We should stress the state assignment and have a sense of the whole situation. Textile industrial enterprises across the province require from 500 to 600 million kg of cotton and chemical fibers as raw material each year. Therefore, we should develop cotton production and increase the output of cotton.

In citing the issue of increasing cotton output, Ye Liansong voiced the following three opinions: First, planting cotton crops represents the needs of the state that needs cotton in carrying out its construction. A large number of large and medium-sized enterprises urgently need cotton. We should educate peasants to be eager to meet the needs of the state and to first plant cotton crops in order to cherish the country and to make their family wealthy. Second, we should readjust the plots of farmland and plant cotton crops plot upon plot or area upon area. We should pick up some irrigated farmland or plots with fine soil quality for planting cotton crops. Experience has shown that planting cotton crops area upon area or plot upon plot is favorable for carrying out field management and bringing insect pests under control and enables a high yield. In order to ensure the acreage of planting cotton crops this year, it is imperative to ensure the 10 million mu of farmland sown in cotton crops. Of this acreage, that of planting cotton crops with plastic sheets should reach 50 million mu [as published] so that total cotton output reaches 400 million kg. Third, we should concentrate our efforts on cultivating skills and studying how to breed high quality cotton seeds that can resist damage from drought and insects. We should gradually optimize the seeds to ensure a stable and high yield of cotton crops.

After leaving the delegation of Shijiazhuang, Ye Liansong rushed to the delegation of Qinhuangdao to consult on the grand plan of accelerating the city's pace of opening up. After listening to opinions raised by deputies during the discussion on the "Government Work Report", he fully acknowledged last year's work achievements in Qinhuangdao. He stated: Qinhuangdao did quite a good job in development last year. The provincial party committee and the provincial people's government have placed great hopes on Qinhuangdao that is on the

forefront of opening up. The cities of Qinhuangdao, Tangshan, and Cangzhou are in the economic zone approved by the State Council for opening to the outside world. The economic and technical development zone in Qinhuangdao was approved by the State Council in 1984 as one of the first national development zones. Therefore, Qinhuangdao should take the lead in achieving development and in making a start and become the province's window of opening up. Ye Liansong stated: Hebei Province is endowed with a vast territory and differences among various localities are great. Qinhuangdao has many strengths in its position. Therefore, it should accelerate development and be a good vanguard in opening up across the province. In accelerating the opening up, first, we should actively and effectively utilize foreign capital. Second, we should emphatically bring in advanced technologies. Efforts should be made to adopt multiple methods—including those of using cash to buy foreign advanced technologies and those of utilizing foreign capital to conduct technical grafting and renovations. Third, in accelerating the opening up, we should vigorously develop economic relations with foreign countries and foreign trade. The province still has a big gap in this regard. In 1994, the province as a whole first surpassed the national average in foreign incomes earnings through foreign trades. Accelerating economic development should rely on the following three demands: The demand of investments, that of markets, and that of export-oriented business that includes the utilization of foreign capital and exports through foreign trades. Without the three demands, it is difficult to accelerate economic development and also difficult to accelerate opening up. Qinhuangdao should be a good vanguard in this regard and create experiences.

That evening, Ye Liansong also rushed to the delegation of Zhangjiakou to consult together with deputies from the highland outside the Great Wall the strategy of accelerating the economic development. Ye Liansong stated: Zhangjiakou should seize the opportunity to accelerate the development as well. He stated: On the eve of Spring Festival, General Secretary Jiang Zemin made an inspection tour in Zhangjiakou and wrote an inscription with regard to truly grasping opening up and development to head for being better-off. In line with the demands put by general secretary in his inscription, we should do a very good job in studying and utilizing the local strong points; in conducting classified guidance over the localities on or around the highland; in accelerating the economic development according to the local conditions; and in getting rid of the poverty as soon as possible so as to realize the target of being better-off.

#### **Shanghai Farming Production Plan To Boost Development**

HK1903081595 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 Mar 95 p 5

[By Xiao Chen: "Up-To-Date Farm Plan Will Boost Progress"]

[FBIS Transcribed Text] A modern-technique farming production plan will be implemented in Shanghai suburbs to help promote rural economic development.

The plan will be carried out in two steps. The first, to be completed by 1997, separates farmers' grain ration fields from State grain fields, and expands mass production into some new areas.

Step two, full mass production in the suburbs, will be completed before 2000, said Gu Wuhao, director of Policy Research Office with the Shanghai Agricultural Committee.

The suburbs began the responsibility system in 1983, in which farmers contracted fields to produce grain for themselves, as well as for the State. The system negated the people's communes set up in 1958.

The fast growth of rural industry and services has sent the output value in those sectors rocketing to 70 per cent of the rural gross domestic products.

Seventy per cent of rural labourers have left farm fields for business and industry.

"Timing is now ripe for mass farming production in the suburbs," said Gu. Mass production also is needed to meet demands of rural urbanization.

Modern techniques can yield more grain on limited arable land. A rural survey shows that 4,667 hectares of tillable land is lost each year.

The city should turn out 2 billion kilograms of grain annually by 2000, Gu said.

The new system, different from the former contractual responsibility system, gives distinct rights for arable land, he said.

The village committee holds ownership of the plots, and farmers can contract to work the plots for 30 years. During that period, they can transfer the right of land use to others, but are not allowed to transfer their contract.

The new system will lead to rural co-operative farms and household farms that will conduct farming using modern means.

A capable farmer with financial strength can acquire more arable land for production through a transfer of the right of land use.

The farmer can grow the fields on his or her own or contract out some fields on a mutually beneficial basis.

In contrast to the former contracted responsibility system, which began nationwide in 1980 but failed to meet demand of the market economy, co-operative

farms can mobilize farmers' initiative in rural production and more labour can be freed up to work plots more efficiently, Gu said.

At present, 70 per cent of arable land in Jiangsu Province has been managed by household farms, 28 per cent in co-operative efforts and the rest by State farms.

In Zhejiang Province, household farms are the primary form of farming production there, according to a spokesman of the Shanghai Agricultural Committee.

Shanghai will use co-operative farms and household farms to implement modern farming production, said Gu.

A co-operative farm usually has more than 15 hectares of land, while a household farm has about two hectares. Through mass production, farmers also can increase their annual income, he said. Gu calculated that if a household grows one-third of a hectare the old way, it will earn 1,500 yuan (\$177) a year. With two hectares, the same household's earning jumps to more than 10,000 yuan (\$1,177), he said.

#### **Shanxi Improves Waterworks, Soil Quality**

*OW2003075195 Beijing XINHUA in English 0719 GMT 20 Mar 95*

[FBIS Transcribed Text] Taiyuan, March 20 (XINHUA)—The area of irrigated land in north China's land-locked Shanxi Province will double if the construction of waterworks maintains its momentum, according to provincial officials.

Located on a loess plateau, Shanxi is marked by mountains and hills over 80 percent of its area, and a scarcity of water resources. To alter these poor agricultural conditions, the province has invested more than 12 billion yuan in bringing water from the Yellow River. The project, which started in 1993, will not only alleviate the water shortage in the cities but also improve the agricultural conditions when it is completed in 1998. It is expected to raise grain output by 150 million kg.

The province has also sought overseas funds to improve basic agricultural facilities. It has introduced over 500 million yuan worth of funds from the International Agriculture Development Foundation, the World Food program, the World Bank and Japan. All the funds have been spent on improving waterworks and soil quality in 20 mountainous counties.

Over the past three years or so, the province has set aside 50 million yuan in discounted loans every year for the development of water-conserving agriculture, and has seen an annual increase of 66,000 ha [hectares] of water-conserving farmland.

Starting in 1990, the province has also used several thousand bulldozers to terrace land on the Taihang and Luliang mountains, and has increased the area by 20,000 ha annually.

## East Region

### Anhui Campaign Benefits Over 40 Million Peasants

OW1903080895 Beijing XINHUA in English 0752  
GMT 19 Mar 95

[FBIS Transcribed Text] Hefei, March 19 (XINHUA)—More than 40 million people are reported to have benefited from a campaign aimed at ridding east China's Anhui province of poverty, according to statistics.

Thanks to some ten years of painstaking efforts, the campaign basically solved the food and clothing problems of 1.2 million people, and added an average of more than 310 yuan in per capita income to poverty-stricken peasants.

Beginning in 1985, the province pumped more than two billion yuan in investment into water conservancy, transportation, agriculture, rural education, health, and other fields, in a campaign to eliminate poverty through construction instead of simply offering aid.

Priority has been given to water conservation because of a number of serious disasters, and a total of 420 million cubic meters have been completed, and 960,000 ha of irrigated land improved or expanded, involving the use of more than 967 million yuan.

Roads have been lengthened 4,540 km and 514 new bridges built, enabling more than 3.2 million people in mountainous areas access to transportation. Jinzhai county, in the poverty-stricken Dabie Mountain area, built 50 roads measuring 462 km in length, benefitting 60 percent of the population.

Infrastructure construction has been working together with exploiting local resources, increasing grain output by 400,000 tons. At the same time, some orchards, and mulberry and tea fields, ponds, a number of improved variety planting bases, and many other ecological plantations have been established.

### Fujian To Further Expand Power Industry

OW2003093095 Beijing XINHUA in English 0845  
GMT 20 Mar 95

[FBIS Transcribed Text] Fuzhou, March 20 (XINHUA/OANA)—East China's Fujian Province will put an average of eight billion yuan (950 million U.S. dollars) annually over the next six years into its power industry, according to the provincial government.

By the year 2000, the total generating capacity of the province is expected to top 11 million kw. With the annual output reaching 48 billion kwh, or 1,380 kwh per capita, said an official from the Power Industry Bureau of the province.

Over the past few years, the province has introduced a total of more than one billion yuan of foreign funds in its

power industry and a number of joint power projects involving a total of 250 million yuan have been constructed.

The Xiamen Economic Development Zone and the cities of Zhangping and Longyan are now using foreign investment to build power stations and upgrade technology so as to ease the power tension in southern and western Fujian.

In the early 1950's, the province generated only 6.87 million kwh of electricity each year, an annual per capita average of less than one kwh.

A number of small and medium-sized power stations have been built over the past four decades in the province, in which electricity is still in short supply because of rapidly growing demand.

The province has maintained an annual increase of 16 percent in its generating capacity since 1987. Its total generating capacity reached 5.3 million kw by the end of last year, and the output in 1994 amounted to 22 billion kwh.

To enhance economic development, the province plans to build four large hydro-power plants, eight thermal power plants and a nuclear power station by the end of this century, according to officials of the province.

### Shandong Secretary Speaks on Government Work

SK2003075995 Jinan DAZHONG RIBAO in Chinese  
28 Feb 95 pp 1-2

[FBIS Translated Excerpt] The provincial people's government held an (enlarged) plenum on the afternoon of 27 February to implement the spirit of the third session of the eighth provincial people's congress. Attending the plenum were Zhao Zhihao, secretary of the provincial party committee; Li Chunting, deputy secretary of the provincial party committee and governor of the province; Song Fatang, deputy secretary of the provincial party committee and vice governor of the province; as well as Zhang Ruifeng, Wu Aiyang, Wang Yuxi, and Shao Guifang, vice governors of the province. Zhao Zhihao and Li Chunting respectively addressed the plenum. [passages omitted]

In his speech, Zhao Zhihao stated: The third session of the eighth provincial people's congress was very successful. During the session, various tasks for reform and construction this year were discussed and decided upon and additional leading staffers of the provincial people's government were elected. The choices of Governor Li Chunting and Vice Governor Shao Guifang, trustworthy people's deputies supported by the people, were appropriate. Judging from the general situation, the current leading body of the provincial people's government is strong and the structure of the body is rational. The provincial party committee is convinced that under the leadership of Comrade Chunting, the leading body will totally able to better conduct the government work and

to score more effects in work. The provincial party committee urged all staffers in the provincial people's government, special advisers to the government, various departments under the government, and the responsible comrades of various prefectures and cities to actively support the work of the provincial people's government; to offer opinions; to be staff officers; and to continuously do a good job in integrating the spirit of the central directives with the reality in the province's work and in conducting the work of their own in a creative way. He urged Comrade Chunting and the "ordinary personnel" of the provincial people's government to continuously emancipate their minds, to seek truth from facts, to heighten their spirit, to boldly pioneer a road, to carry forward the achievements based on the original work foundation, to overcome their shortcomings, and to improve the government work to a new level. Only by uniting as one can we pool wisdom; enjoy cohesion; and turn out productive forces, talented personnel, and cadres. The provincial people's government has a fine tradition of striving for unity and doing practical deeds. It is hoped that the new leading body of the provincial people's government and all staffers in the government develop the fine tradition; attach great importance on the whole situation; and show concern, understanding, trust, and support for one another. They should unite as one, closely coordinate one another, successfully launch group drives, and win the champion of group drives.

In citing the issue of how to successfully conduct the government work, Zhao Zhihao stated: In conducting the government work, attention should be paid to the following key aspects: We should soberly discern the situation. Currently, the opportunity and challenge of development exist simultaneously. We should note not only the favorable conditions but also the difficulties and problems we face. Our Competitions are fierce. Thus, we will fall behind without progress and should have a sense of crisis, emergency, and responsibility. We should continuously take big events into consideration and discuss key things. We should continuously and earnestly implement or enforce a series of strategies and principles that have been proved through practice as being suitable for the province's reality—such as the "three steps" strategic target; the "321" projects; the strategy of "conducting overall opening up, making a breakthrough in key points, expediting the programs in a step-like way, and achieving development by integrating the east with the west"; the combination of "trade, industry, and agriculture"; the integration between urban and rural areas; and the establishment of the systems of socialized services in rural areas. Meanwhile, the understanding on the province's situation and definition of development strategies have been continuously deepened along with the changes of situations. Hereafter, we should further study and successfully deal with the problems that have a bearing on the province's strategy of economic development. Attention should be paid to upgrading the overall quality and effects in the economy.

Although the province has been quicker in developing its economy over the past few years, the upgrading of overall quality and effects in the economy has not been ideal. Hereafter, it is imperative to resolve these problems in a down-to-earth manner. Vigorous efforts should be continuously made to reinforce the foundation of agriculture, to successfully readjust the structure of industries and products, to organize or establish a large number of backbone enterprise groups, to continuously carry out technical renovations, to develop high-and-new tech industries, to successfully grasp scientific and technological education, and to upgrade in an overall way the quality of laborers. We should continuously deepen the reform and opening up because the fundamental outlet for dealing with knotty issues, developing the economy, and making social progress, lies in reform and opening up. By emphasizing the work of deepening the reform among the state-owned enterprises, we should accelerate the establishment of modern enterprise systems; coordinate with others in expediting the reform in various fields; and accelerate the establishment of social security systems with unemployment insurance and old-age pension as a focal point. We should further discern the important promoting role of the work to broaden the opening up in developing the economy in the province as a whole and foster the concept of large-scale economy and trade. Leadership at all levels and various departments should coordinate with one another in fighting a general battle in this regard and upgrade the province's program of opening up to a new level. We should firmly foster the sense of the masses, listen to the opinions raised by the masses, show concern for the weal and woe of the masses, and deal with in a timely manner the hot-debated and knotty problems about which the masses have shown great concern. We should continuously do a good job in grasping the supplies of vegetables and flour closely related to the people's life and in successfully making arrangements for the production and livelihood of poor regions, difficult enterprises, and of the people who have suffered from disasters. Currently, we should attach special importance on the work to successfully curtail inflation and to lower the overly increased scale of commodity prices. A good job should be done in conducting comprehensive management of public security and in maintaining political and social stability in the province as a whole to enable the people to truly have a feeling of safety and to live and work in peace and contentment. We should further improve our work style, seek truth from facts, do things related to practical work, and vigorously grasp implementation. Many policy decisions made by the CPC Central Committee, the State Council, and the provincial party committee, should be implemented through the government. Therefore, grasping implementation represents the basic work of the government. Leadership at all levels should go deep into grass-roots level units and into reality, do a good job in carrying out investigation and study, and resolutely prevent or overcome the bureaucracy and formalism. We should still follow the practice of telling the truth,

doing practical deeds, and seeking practical effects. We should stress economic results in all economic activities and social benefits in all social activities. We should uphold the principle of "taking a two-handed approach and being tough with both hands" and do a good job in building spiritual civilization. Without the improvement of spiritual civilization and social morale, the improvement of the economy will be of no sense and will leave countless troubles.

Lastly, Zhai Zhihao stressed: We should vigorously strengthen the study and upgrade the quality of leadership. Efforts should be made to earnestly and continuously study the theory of Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics; to study the knowledge of the market economy and modern sciences; and to upgrade the level of theories, the principles of party spirit, and the capability of practical work. Through study and practice, we should firmly foster a correct world outlook and the outlook on life and continuously upgrade our quality of politics. Leading cadres at all levels should not only be specialists being familiar with their own professions but also be proletarian statesmen who act in unison with the CPC Central Committee, have a firm stance, harbor long-term ideals, and share a common fate with the people. In line with the pledge of government working personnel with regard to "conducting reform and creating something new, being honest and industrious, uniting as one and doing practical deeds, and rendering service with high effects," we should set strict demands for ourselves and extensively carry out the activities of learning from the model deeds scored by Comrades Kong Fansen and Wang Tingjiang. We should also foster long-term ideals and lofty values as well as the revolutionary spirit of making contributions selflessly. We should deeply carry out anticorruption struggles. Without anticorruption, we would be corrupt and the future and fate of the party and country would encounter dangers. Therefore, all working personnel in the government should do a good job in passing the test of ideology, politics, power, money, and life. Fellow personnel present at the plenum today, who are all leading cadres, should firmly remember the warning given by Comrade Jiang Zemin with regard to "if the upper beam is not straight, the lower ones will go askew, as well as if the medium beam is not straight, the lower ones will collapse." They should take the lead in being honest and self-disciplined, define the duties and influence of their own, bring about a good contingent of middle-aged and young cadres, and assume the heavy duties of work for the next century.

During the plenum, Comrades Wang Weitian, Sun Guangyuan, and Lin Shuxiang were announced as being appointed assistants to the governor.

Song Fangtang also delivered a speech in which he made work arrangements for implementing the spirit of the session.

**Shandong's Qingdao Radio-TV Station To Open**  
*OW1903141895 Beijing XINHUA Domestic Service in Chinese 1140 GMT 9 Mar 95*

[By reporter Wang Jingqun (3769 0079 5028)]

[FBIS Translated Text] Qingdao, 9 Mar (XINHUA)—The People's Radio and Television Station of the Qingdao Development Zone, a project to mark the 10th anniversary of the founding of the Qingdao Economic and Technological Development Zone, will formally begin broadcasting from 28 March. The station is the first of its kind to be established in a development zone in China.

The station, for which planning and construction was completed within a year, has been established with the approval of the Ministry of Radio, Film, and Television; it began trial broadcasting last December. Trial broadcasting over the last three months focused on news propaganda; integrated services, education, and amusement into one; and served the station's purpose of opening up the Qingdao Development Zone and of promoting economic construction. The trial broadcast was well received by the public.

It has been learned that the radio station will broadcast directly individually-hosted programs, and it will be on the air 10 hours a day. The television station will be on the air five hours a day.

**Shandong's Qingdao as Regional Economic Center**  
*OW1903072695 Beijing XINHUA in English 0652 GMT 19 Mar 95*

[FBIS Transcribed Text] Qingdao, March 19 (XINHUA)—Qingdao will vie for a spot as a regional economic center for foreign trade in the next few years, according to a senior official of the coastal city in Shandong Province.

In the 1990s, Shandong's position in north China's economy is increasingly more important, and the development trends of Qingdao, the province's beachhead for reform and opening, has quite naturally become the focus of attention, said Yu Zhengsheng, secretary of the Municipal Committee of the Communist Party of China.

In a recent interview with XINHUA, he explained that the concept of "regional" mainly refers to Shandong, but can be extended to southern Hebei and southern Shanxi Provinces, and a part of Henan Province.

Qingdao's conditions determine that it can and should become a foreign exchange trading center and the most concentrated place of foreign-funded banks and storage and transfer site, Yu said.

Qingdao is now the country's only port which can handle 200,000-dwt oil tankers, and it attaches importance to the construction of sea ports and airports, looking

toward an annual handling capacity of over a million passengers by the end of the century.

In the next five years, the port expects to make progress in the production of electronics, machinery, petrochemicals, rubber, household appliances, medical apparatuses, program-controlled computers, oil refinery, automobiles, beer, refrigerators, color TV sets, and tires.

To put the blueprint into effect, Qingdao is making some preparations such as restructuring the layout of the city and its industrial structure and overseas navigation.

According to the plan, the city's gross domestic product will double 1993's figure in five years, 45 percent of which will come from tertiary industries, and 50 percent from exports, economists predict.

### Shanghai CPPCC Committee Concludes Session

OW2003054895 Shanghai WEN HUI BAO in Chinese  
23 Feb 95 p 1

[Unattributed report: "The Third Session of the Eighth CPPCC Municipal Committee Adjourns"]

[FBIS Translated Excerpt] The third session of the eighth Chinese People's Political Consultative Conference [CPPCC] municipal committee came to a conclusion at the central main hall of the Exhibition Center yesterday [22 February] morning.

Seated in the front row on the rostrum were chairman Chen Tiedi; vice chairmen Mao Jingquan, Shi Zhushan, Yang You, Zheng Lizhi, Zheng Lizhi, Chen Haozhu, Zhao Dingyu, Liu Hengchuan, and Guo Xiuzhen; and secretary general Ma Songshan of the CPPCC municipal committee.

Municipal party, government, and military leaders Xu Kuangdi, Chen Liangyu, Luo Shiqian, Jin Binghua, Zhang Huixin, Zhu Daren, Hua Jianmin, Ye Qongqi, Sun Guizhang, Tan Jiazhen, Ye Shuhua, Hu Chuanzhi, Gu Nianzu, Chen Mingshan, Hu Zhengchang, Wu Zhaoguang, Xie Lijuan, Xia Keqiang, Meng Jianzhu, Gong Xueping, Fu Cuihe, Lu Linyuan, Hu Ruibang, and Ni Hongfu attended the session on invitation.

Attending the session were also veteran leaders of the municipal party committee Chen Guodong, Hu Lijiao, Wang Daohan, Wang Yiping, Yan Youmin, Han Zheyi, Chen Yi, Yang Shifa, and Yang Di; and leaders of the previous CPPCC municipal committees Xie Xide, Zhang Chengzong, Wang Xing, Zhang Ruifang, and Zhao Xianchu; as well as members of the CPPCC national committee in Shanghai. [passage omitted]

CPPCC Municipal Committee Vice Chairman Mao Jingquan presided over the closing.

On behalf of the Shanghai Municipal CPC Committee, Deputy Secretary Chen Liangyu extended warm congratulations on the successful conclusion of the session. He said: During the session, members, with a strong sense of

responsibility and mission, actively performed the functions of political consultation and democratic supervision, and took part in the administration and discussion of municipal affairs, bringing up many constructive proposals and suggestions. He put forward four requirements for ensuring a good job in political consultative work. (1) Take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guide in earnestly promoting the patriotic united front and the people's political consultative work in the new era. (2) Bring into full play the advantage of the people's political consultation in doing everything possible to make suggestions for Shanghai's reform, opening up, and modernization drive. (3) Consolidate and develop the patriotic united front to promote the motherland's reunification. (4) Further strengthen and improve the party's leadership over political consultative work.

CPPCC Municipal Committee Chairwoman Chen Tiedi made the closing speech. She said: The current session has proceeded in a lively atmosphere, with every member freely airing his or her views, and with the spirit of unity and democracy prevailing throughout the session. All members are very optimistic about achieving the fighting goal of "effecting some change every year and a substantial change once every three years," set by Comrade Deng Xiaoping; and are confident of fulfilling Shanghai's fighting goal in the coming three years. They have gained a comprehensive understanding of the situation and tasks facing Shanghai, and have put forth many valuable views and suggestions, thus fully demonstrating members' enthusiasm and initiative in taking part in the administration and discussion of municipal affairs as well as their strong sense of responsibility and mission toward deepening reform, opening up wider, developing the economy, and maintaining stability.

Chen Tiedi said: The new situation and new tasks have put a higher demand and heavier responsibility on the CPPCC municipal committee's work. Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and centering around Shanghai's fighting goal in the coming three years, we must persistently harness our enthusiasm, initiative, and creativity; and more actively and effectively perform the functions of political consultation and democratic supervision, and of taking part in the administration and discussion of municipal affairs. We must conscientiously implement the "resolution" adopted by the session; further institutionalize and standardize political consultative work; enhance the appeal and cohesiveness of the CPPCC municipal committee's activities; and bring into full play the role of the democratic parties, mass organizations, and CPPCC members as well as the galaxy of talent among them in conducting theoretical and investigative study, and offering suggestions for Shanghai's reform, development, stability, and building of the two civilizations. We must hold aloft the banner of patriotism, diligently study and publicize General Secretary Jiang Zemin's important speech on the Taiwan question,

and seize the opportunity to develop cross-strait relations by broadening channels for exchanges; by forging closer ties with the compatriots in Taiwan, Hong Kong, and Macao as well as Overseas Chinese; by uniting all forces that can be united; and by mobilizing all positive factors in promoting Shanghai's economic and social development, and the great undertaking of the motherland's peaceful reunification.

The session yesterday also approved the procedures for electing vice chairmen and standing committee members of the eighth CPPCC municipal committee in by-elections. Wang Shenghong was elected as the vice chairman; and Ye Zhongwu, president of the Hong Kong Global Investment Limited Company and a member of the CPPCC municipal committee; and Zhan Jinyuan, chairman of the Hong Kong Heyuan Chemical Limited Company and a member of the CPPCC municipal committee; were elected as its standing committee members. After the executive chairman announced the election results, the three went up to the rostrum to take their seats.

The session also heard a report by the CPPCC municipal committee's motions committee concerning the examination of motions made during the third session; as well as adopted a resolution on the third session of the eighth CPPCC municipal committee.

### Southwest Region

#### Anticommunist Religious Group Appears in Sichuan

HK2003080395 Hong Kong CHIEN SHAO No 3 in Chinese 1 Mar 95

[Article by Chin Fu-tzu (6855 1133 1311): "Anticommunist Secret Society With Over 10,000 Members Appears in Sichuan"]

[FBIS Translated Text] On November 3, 1994, a "public trial to ban the illegal Apostles Society" was held in the town of Yuntai in Changshou County, Chongqing. Key members of the Apostles Society—including Lin Changyuan, Yao Dashun, Liu Yongcheng and Xu Shuping—were punished by the public security authorities in accordance with the law. The event has dealt a serious blow to this private organization, which is based around villages and has religious overtones.

#### A Tightly-Knit Organization That is Openly Anticommunist

According to an internal CPC document, on the 15th day of the first lunar month in 1989, a man named Ji Sanbao convened a "meeting for the selection of twelve apostles", and it was from this that the name "Apostles Society" came about. The society is tightly organized into seven tiers, including headquarters, main offices, their branches, sub-branches, divisions of sub-branches

and so on. It recruits its members through the "snowball" method, with members inducing relatives and friends to join. The society has set up secret contact points in various places, and has its own underground communications network and a set of contact codes. It also prints and distributes propaganda material. Its main activities include:

**Making anticommunist speeches:** The society talks about current problems, saying that the CPC "hangs on to power through foul means," that "the evil will be punished", and that "God will punish them."

**Spreading superstitious beliefs:** The society preaches that "we are near the end of the world; in the year 2,000 there will be a catastrophe on earth, and only faith in God can guarantee safety." It deceives the masses by telling them that "if you are a fervent believer, you can survive on three taels of rice a day." It also criticizes the CPC's family planning policy.

**Propagandizing that prayers can heal illnesses:** The society spreads the message that "belief in God can guarantee your safety, and prayers can heal your illnesses." Some peasants actually believed in that, and did not go to the doctor when they fell ill; they died as a result.

#### Local Level Cadres Becoming Members of the Society

The rampant activities of the Apostles Society are being closely watched by police on the mainland. After being clamped down on by the local public security authorities, the Shaanxi branch of the Apostles Society had to move their activities to neighboring Chongqing, in Sichuan Province.

The Apostles Society recruits its new members in a snowball fashion, through its existing members' introducing relatives, friends and neighbors to join. It has spread quickly to such towns as Haitang, Yuntai, Shiyan and Huangjue in Changshou County, Chongqing. Among the core members of the Apostles Society, there is a fair-skinned gentleman of medium height named Lin Changyuan. Lin is director of the society's Chongqing branch. A learned man and a good speaker, he is very much favored by the top leaders of the society, and that is why he was given such an important post.

Lin has been a teacher in a private school in Yuejia Village in Pingchang County under the town of Dachuan, since he graduated from senior middle school. For 27 years he has devoted himself to teaching the children in the village, and has been voted best teacher for six years in a row. Lin has been head teacher, leader of the school party group, and member of the party branch at the primary school. Now, however, this local-level CPC cadre suddenly has become a core member of the Apostles Society.

#### Chongqing Public Security Organs Crack Down on the Society

The frequent activities of the Apostles Society in Changshou had long been watched by the public security

authorities. On the evening of 22 April 1994, in the conference room of the Changshou County Public Security Bureau, bureau Director You Zhiming, Deputy Director Deng Zhiming, and section head Tao Jingzhong gathered together to map out a plan of action to ban the Apostles Society.

The next day, Tao led a number of public security officers to Zhijiang and Linshui Counties to gather information on the structure of the society and its regular activities. A net to ensnare the Apostles Society had been prepared quietly.

On 31 May, at around 1000, Tao led his team to Yuntai, arresting the executives of the society, who were in the middle of a meeting at the time. Those caught included Huang Shuping, Gao Tonglin, Gong Kuiming, and Li Kuangyun.

Late on the night of 12 June, at the home of Huang Xiangao in Qingquan Village near the town of Haitang, public security officers again arrested twelve core members of the society, including Yao Dashun, who were then holding a meeting.

#### **The Authorities Are Worried That Banning the Society Has Not Eradicated the Problem**

Although the government has taken strong action to crack down on the Apostles Society, this newly emerged and privately organized society with religious overtones is still developing and expanding. By now it not only has recruited more than 10,000 members in 51 towns and villages under the nine prefectures and counties of Changshou, Hechuan, Wansheng, Jiangjin, Yongchuan, Baxian, Jiangbai, Daju and Rongchang, but it also appears to be spreading to Hebei, Shandong, Xinjiang and Yunnan. This is making the CPC authorities very worried.

#### **Tibet Secretary Confident on Future Development**

*HK2003104795 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 3 Mar 95 p 1*

[By staff reporters Ren Weidong (0117 4850 2639) and Liu Wei (0491 0251): "Tibet Has Entered Its Best Period—Interviewing National People's Congress Deputy Chen Kuiyuan"]

[FBIS Translated Text] Development in Tibet has been a focus of global attention.

A few days ago, we interviewed Chen Kuiyuan, secretary of the Tibet Autonomous Regional CPC Committee and National People's Congress delegate. He told us: "Tibet is now in one of the optimum periods in history, facing a favorable opportunity."

These reporters asked him to elaborate. He explained: The party Central Committee and the State Council held the third conference on work in Tibet last year. The

conference made special arrangements for Tibet's development from a strategic point of view, setting the guideline of "maintaining stability and speeding up development" and specific measures, including methods to solve problems concerning transportation, such as ways to overhaul the Qinghai-Tibet and Sichuan-Tibet highways; energy; and other problems restraining Tibet's economic development. The conference arranged 62 projects in aid of Tibet. If all these projects can be accomplished, there will be a great change in Tibet's economic conditions.

Regarding the present situation, Chen said: Over the last few years, Tibet has witnessed a sustained and steady economic development and made some headway in reform and opening up. Last year, Tibet created four "records in history": The GDP increased 8.6 percent over the previous year; the industrial growth rate was 12 percent; the per-capita income of peasants and herdsmen was 1,000 yuan in terms of present prices, significantly improving their living standards; and total grain output was 640,000 tonnes, 3 percent higher than the 1993 record harvest. What is more inspiring is that Tibet's township enterprises and diversified economy have developed fairly rapidly over the last few years, accounting for a greater and greater proportion of local GDP. The income from diverse economic undertakings, for example, increased by 58 percent over the previous year.

This year marks the 30th founding anniversary of the Tibet Autonomous Region. Tibet will make new steps forward on the road of reform and opening up. Chen said with full confidence: "Tibet will build up greater and great strength for further development and will gain more and more robust growth momentum."

#### **Tibet Presents Official Bid To Host '99 Games**

*HK1903052495 Beijing CHINA DAILY in English 18 Mar 95 p 1*

[By Yang Xinwei: "Tibet Asks To Host '99 Games"]

[FBIS Transcribed Text] The Tibet Autonomous Region yesterday officially presented its bid to the State Nationalities Affairs Commission and the National Sports Commission for hosting the Sixth China National Nationalities Games (CNNG) in 1999.

Gyaincain Norbu, Chairman of the Tibet people's government said at the Diaoyutai State Guest House in Beijing that to host the nationalities games was not only the hope of the Tibetan regional government, but also that of the 2.3 million Tibetans.

He said hosting the games will not only speed up the economic development of Tibet but would also rebuke the distortions and attacks lodged against Tibet by the Dalai Lama and his foreign supporters. Moreover, it would encourage reforms and sports development.

"Tibet is getting better year by year, and the time has come for the region to host the games," he said, adding that he had hopes the whole nation would support Tibet's bid to host the region's first-ever nation-scale games.

### Third Session of Yunnan People's Congress Ends

HK2003095295 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 27 Feb 95

[FBIS Translated Excerpt] The Third Session of the Eighth Yunnan Provincial People's Congress, which successfully completed the various scheduled items on its agenda, concluded in the Victory Hall of the People yesterday afternoon [27 February].

The executive chairmen of yesterday's session were [provincial party secretary] Pu Chaozhu, [provincial people's congress chairman] Yin Jun, Bao Yongkang, Yang Yitang, Yang Ming, Dao Guodong, Li Shuji, Bao Zuoguang, Bao Hongzhong, and Mai Xiqu. Yin Jun, executive chairman of the session and chairman of the provincial people's congress, presided over the closing session. The session elected (Luo Deju), female, Hani nationality, deputy to deputies to the Eighth National People's Congress [NPC] by secret ballot, and the election is to take effect after being reported to the deputy credentials committee of the Eighth NPC.

The session adopted the resolutions of the Third Session of the Eighth Yunnan Provincial People's Congress on the government work report, on implementation of Yunnan's national economic and social development plan in 1994 and the national economic and social development plan in 1995, on implementation of Yunnan's local financial budget in 1994 and the local financial budget for 1995, on the work report of the Standing Committee of the Yunnan Provincial People's Congress, on the work reports of the Yunnan Provincial People's Higher Court and of the Yunnan Provincial People's Procuratorate, and on changing the Legislative Affairs Commission of the Yunnan Provincial People's Congress to the Internal and Judicial Affairs Commission of the Yunnan Provincial People's Congress.

Provincial congress Chairman Yin Jun spoke at the meeting. [passage omitted]

Presidium members of the session were seated at the rostrum, including [CPPCC provincial committee chairman] Liu Shusheng, Sun Yuting, Ling Xingwang, Zhang Baosan, Meng Jiyao, Sun Gan, (Yu Heli), Li Hesong, and Chen Qingyun.

Deputies seated at the rostrum included [Governor] He Zhijiang, Niu Shaoyao, Dai Guanglu, Li Linge, Lang Dazhong, Qiu Chuangjiao, and He Zhanjun.

Present on special invitation and seated in the rostrum were provincial-level leaders Linghu An, Wang Tianxi, Zhao Shumin, Zhao Tingguang, Dao Shijun, Li Qin, Wang Zhaomin, and Zhu Qi, as well as former provincial

veteran leaders Liu Minghui, Gao Zhiguo, Liang Jia, Qi Shan, Yan Yuquang, and Wang Lianfang.

### North Region

### NEIMENGGU RIBAO Covers Reform Meeting

#### Inner Mongolia's Liu on Economic Reform

SK1803044895 Hohhot NEIMENGGU RIBAO in CHINESE 20 Feb 95 p 1

[By reporter Hao Bingsheng (6287 4426 0581) and correspondent Li Yigang (2621 3015 0474): "We Should Further Emancipate Our Mind, Renovate Our Concepts, Increase the Dynamics of Reform, and Accelerate the Pace of Reform"]

[FBIS Translated Text] Whether the socialist market economy system can be established in the time scheduled and whether the target of a moderately prosperous life can be achieved are closely related with the system's reform. If we achieve success in reform, the economic development will be fast, otherwise, it will be slow. Therefore, we should further emancipate our mind, renovate our concepts, increase the dynamics of reform, accelerate the paces of reform, and make new contributions to the economic development of the whole autonomous region. This is what Liu Mingzu, secretary of the autonomous region party committee, emphasized in the autonomous region's economic system reform work meeting convened on 18 February.

Liu Mingzu pointed out: Accelerating the pace of reform is a basic measure to accomplish the historical tasks of achieving a moderately prosperous life and establishing the basis for a socialist market economy system. Economic system reform and economic development are closely related and inseparable. Party committees and governments at all levels, especially the major leaders, should fully understand the significant and profound meaning of the economic system reform. We should fully understand that reform of the economic system is arduous, has immediate significance, and involves many fields and time limits.

Reform of the economic system has immediate significance because whether the market economy will succeed and whether a moderately prosperous life will be achieved ahead of the time scheduled depend on the speed of reform. Some problems emerging in the current economic and social life can only be resolved through deepening reform, and it can never be resolved with planned economy methods.

Economic system reform is arduous since reform is a revolution. However, the arduousness is reflected not only in the task itself but also in the ideology. The greatest problem now is not that we do not know how to reform, but, instead, is that we are unwilling to reform and dare not to reform. This is because reform is the redistribution of power and interest and it involves the

vested interests of a lot of people. Some departments and units are not carrying out reform, even though they know how to, because they are afraid of losing their own interests. The difficulties for some departments to change their functions mainly lies in that they are unwilling to delegate decision-making power to enterprises and that they hold fast to power. When it comes to delegating decision-making power to enterprises, they hold many discussions in order to delay implementation. However, when it comes to strengthening the macroeconomic regulation and control, they withdraw the power immediately. This is the reason why we say reform is very arduous.

Economic reforms encompasses many fields because it not only involves the economic field, but it also includes all fields of society and involves all regions, departments, and strata. It is a big issue for the whole party and the people of the whole state.

Liu Mingzu held: Economic reforms are a heavy task and it should be well timed. There are only six years left for us to establish a socialist market economy system by the end of this century. We should be aware of the urgency. It is imperative to make full use of these six years to actively work, boldly explore, and strive to accomplish this historical task ahead of the time scheduled.

Liu Mingzu emphasized: All the leagues, cities, banners, and counties should, in accordance with the spirit of the national system reform work meeting, sum up their own experiences and lessons during system reform with an emphasis on finding out the problems and correcting them as soon as possible. In economic system reform, it is imperative to pay attention to key points, and to achieve success in planning by seeking truth from facts, in accordance with the function of planning, coordination, experimentation, and legislation of the departments of system reform. We should have a plan on the number of enterprises, out of all the enterprises in the whole autonomous region, which will implement the modern enterprise system, on the number of groups these enterprises should be divided into, and on the time limit set to accomplish this task. On the premise of ensuring quality and results, we should implement system reform as fast as possible. What can be accomplished within two or three years should not be delayed for any longer. We should also follow what Comrade Deng Xiaoping said about not slowing down whenever we can be fast.

Liu Mingzu pointed out: It is very important to achieve success in choosing some enterprises to experiment with reform. I think that choosing 10 experimental enterprises for the modern enterprise system conforms to reality. The primary tasks for the commission for restructuring the economy are to pay attention to planning and experimenting, be a good adviser to the party committee and the government, achieving substantial and good results in the 10 enterprises designated by the autonomous region to experiment with the modern

enterprise system, and then extending the experiences to the entire autonomous region in an effort to enhance the whole autonomous region's enterprise reform. In experimenting, we should first conduct comprehensive inspection on the leading bodies of the experimental enterprises. If we fail to achieve success in strengthening the leading bodies, the experiment will merely be empty talk. At the same time, we should do a good job in the foundation work of non-experimental enterprises' modern enterprise system reform, and continue to carry out the "enterprise law" and the "regulations for changing enterprises' management mechanism." We should give a free hand in the reform of the small enterprises in banners and counties as long as what they do conforms to the "three advantages" and as long as they can promote the enterprises' economic efficiency.

In conclusion, Liu Mingzu emphasized: Party committees and governments at all levels should strengthen the leadership over the system reform. Leaders in charge should go down to the lower levels to comprehensively understand the situation, and promptly study in an effort to resolve the problems emerging in system reform. The party committee should pay attention to system reform in person, and make decisions on the issues involving with policies. We should give full scope to the function of the system reform department, strengthen our forces, improve our work, and make more contributions to the whole autonomous region's economic construction.

#### More on Economic Meeting

SK1803053695 Hohhot NEIMENGGU RIBAO in Chinese 20 Feb 95 p 1

[By reporter Wang Jie (3769 3381) and trainee Qi Yuan (7871 1254): "We Should Conform Measures to Local Conditions, Pay Attention to Key Points, and Carry Out Overall Supporting Reforms"]

[FBIS Translated Text] The autonomous region's meeting on the reform of the economic system decided on key points for this year's reform: We should focus on establishing the modern enterprise system, continue to achieve success in the reform experiment of the state-owned large and medium enterprises as well as the foundation work for establishing a socialist market economy system, and make particular efforts to "lay a foundation, build frames, and carry out supporting work." We should pay particular attention to the endeavor of separating government administration from enterprise management as well as the reform within enterprises, and we should closely integrate reform and reorganization with the endeavor of improving the administration within the enterprises. It is imperative to further accelerate reform of enterprises which are small in scale, poor, and are incurring losses.

Liu Mingzu, secretary of the autonomous region's party committee, attended the meeting and made an important speech. Shen Shuji, Zhou Weide, and Nai De also attended the meeting.

Last year, healthy headway was made in our autonomous region's economic system reform. Enterprise reform was basically developed in a comprehensive manner, and fairly fact action was taken from enterprises which were small in scale, poor, and that were incurring losses. According to incomplete statistics, up to the end of 1994, 6864 enterprises in the autonomous region had implemented mechanism transformation, accounting for 52.74 percent of the total enterprises in the autonomous region. During the enterprise reform, most of the enterprises insisted on suiting measures to local conditions as well as on the principle of one policy for one plant, and the enterprises did not seek uniformity in conducting reform. In accordance with the principle of the "three advantages," some dozen modes of reform were adopted, such as the shareholding system, the partnership system in the form of stocksharing, establishment of enterprise groups, merging enterprises, auctioning, letting state-owned enterprises run by the people while keeping their state ownership unchanged, transforming enterprises with advanced technology and funds from abroad, contracting assets, the responsibility system to reduce deficits, enlivening the departments that can be enlivened in the enterprises, and letting enterprises go bankrupt.

In the process of all localities pushing forward reform, 90 percent of enterprises made inventories and checks of the stockpiles and capital, and around 60 percent conducted assessments to their assets.

The supporting reform for enterprise reform and the social security system developed gradually. The autonomous region issued the plan to implement the insurance system for the elderly and the unemployed, and paid attention to the reform of the free medical service on a trial basis. The building on markets for production factors had a new start, and a group of labor markets and technology markets emerged again in all localities. A group of intermediate organizations also emerged to satisfy the situation. The listing of stocks for the Huanneng Power Plant in Inner Mongolia was a complete success. New headway was made in the building of the experimental zones of Hulun Buir League and Wuhai city. Fairly great results were also achieved in the work of developmental zones of all localities.

The primary task of this year's reform of the economic system in the entire autonomous region is to pay firm attention to the foundation work which pushes enterprises to conform to the socialist market economy. We should achieve success in the work of experimenting with the modern enterprise system. The autonomous region's economic and trade commission and the commission for restructuring the economy should together pay attention to the 10 enterprises experimenting with the modern enterprises system, and they should also coordinate with the relevant departments to pay attention to the experiment of the circulation system reform on vegetables, grains and edible oil, and means of production, and the experiment of giving full scope to

the function of the main commodity distributors. We should pay attention to the experiment on old-age insurance for staff and workers of enterprises having different ownership in cities and towns and the experiment of the cooperative insurance system in rural areas. It is imperative to pay attention to the experiment of organizing and establishing enterprise groups and the experiment of conducting reorganization of assets and debts. We should make efforts to resolve the difficult points in enterprise reform. We should handle the historical debts of the state-owned enterprises reasonably, divert surplus personnel of enterprises in a stable manner, gradually resolve the issue of enterprises supporting social undertakings, and establish a mechanism where successful enterprises prosper and unsuccessful ones are eliminated.

To deepen as well as perfect the circulation system, we should resolve five questions in particular: 1) We should make the reform not only advantageous to strengthening the vigor of enterprises but also advantageous to macro-economic regulation and control. We should not only enliven enterprises but also have good control over them. 2) We should build up a network. That means, no matter what transformation modes the enterprises take, the enterprises should play the role as the main commodity distributors and be responsible for the role, and they should have clearly-defined transaction tasks, transaction rules, and price policy. 3) Every major circulation unit should have good control over the basic commodity sources, and basically conform to the requirements of the society in buying and replenishing. 4) We should separate, as soon as possible, the policy-related transactions from the commercial transactions, and we should have good control over the former while enlivening the latter. State-owned grains enterprises should conscientiously implement the policy of stopping receiving interest of the policy-related debts, and comprehensively carry out the operation mechanism of "making accounts of income and expenditure separately." The supply and marketing cooperatives should continue to study and publicize the experiences of the Songshan District supply and marketing cooperative, which is in Chifeng city, of carrying out the integration of commerce, industry, and agriculture and of developing the "coordinated economy." 5) We should build up a regulation mechanism. It is imperative for all localities to establish reserve funds and risk funds systems which suit local conditions.

The key points of the supporting reforms this year are to resolve issues, such as that of separating government administration from enterprise management, social security, and the relevant policies for large and medium enterprises, to enter the international and domestic markets.

In the economic reform of the rural and pastoral areas this year, we should give priority to three issues: 1) We should conduct reform on a trial basis, over the investment and administration of the special funds of the rural and pastoral areas. 2) We should actively push forward

the rural and pastoral areas' reform of the enterprises which have the partnership system. 3) We should achieve success in the experiments of cooperative insurance system and the auction of the barren hills, wastelands, waste grasslands, waste beaches, and waste water areas.

### Inner Mongolia Official on Propaganda Work

SK1803023195 Hohhot NEI MENG GU RIBAO in Chinese 23 Feb 95 p 1

[By reporter Chen Li (7115 0500): "We Should Focus on the General Task to Achieve Success in the Propaganda and Ideological Work"]

[FBIS Translated Text] Zhou Dehai, member of the standing committee of Inner Mongolia Autonomous Regional Party Committee and director of the propaganda department, at the autonomous regional propaganda department directors meeting, which was convened on 22 February, pointed out the guiding thoughts of the whole region's 1995 propaganda and ideological work: We should insist on taking Deng Xiaoping's theory of building socialism with Chinese characteristics as the basic guideline, uphold the party's basic line, conscientiously carry out the overall working spirit of the 14th party congress as well as the spirit of the sixth autonomous regional party congress, focus on the whole party and the whole state's general task, pay firm attention to the implementation of the "four major tasks," actively mobilize and guide the people of all nationalities throughout the whole region to renovate their concepts, unite understanding, uplift spirit, work in a down-to-earth manner, and provide an powerful as well as effective ideological guarantee and a nice media environment for the autonomous region's reform, opening up, and modernization drive.

The meeting transmitted the spirit of the national propaganda directors meeting and the national work forum on the propaganda to the outside world.

Zhou Dehai, in his report entitled "Promoting Propaganda and Ideological Work to a New Height With an Endeavor To Implement the Tasks Set Forth by the Sixth Autonomous Regional Party Congress," briefly reviewed the propaganda and ideological work of the whole region last year and emphatically pointed out: we should pay particular attention to two key points in this year's propaganda and ideological work, which are the mass study and mass discussion of the socialist market economy as well as the patriotism education. We should win three battles: 1) the propaganda battle whose core is to increase the income of peasants and herdsmen and whose contents are to develop the agriculture and animal husbandry with high yield, high quality, and good efficiency, to transform farm and animal products to increase their value, and to devote great efforts to developing township enterprises; 2) the propaganda battle whose core is to increase economic efficiency and whose major contents are to carry out the development

strategy of "famous trademark," to improve the administration of enterprises, and to upgrade the quality of industrial and economic operation; and 3) the propaganda battle of carrying on the 64-character spirit of doing pioneering work. We should achieve success in the project of striving to publish a good book, a good play, an outstanding TV drama, a good movie, and a convincing article with original ideas yearly in the spiritual civilization. We should conscientiously do a good job in the tasks of eight respects. Zhou Dehai held: We should continue to deepen the strategic task of arming people with scientific theory; pay particular attention to the mass study and mass discussion of the theory of a socialist market economy, and, at the same time, continue to develop the systematic study and training of the theory of building socialism with Chinese characteristics. It is imperative to continue to extend the propaganda dynamics on deepening reform and economic construction, and pay particular attention to the propaganda on reaching a moderately prosperous life of the rural and pastoral areas as well as on deepening reform of the state-owned enterprises. We should attach full importance to the function of news and propaganda, and insist on guiding people with correct public opinion. Great efforts should be made to improve the socialist spiritual civilization with an emphasis on patriotism education. The project of publishing a good book, a good play, an outstanding TV drama, a good movie, and a convincing article with original ideas yearly should be taken as the lead to promoting culture, art, and publishing undertakings. We should hold high the banner of unity and construction to upgrade the education on nationalities' unity and betterment with unremitting efforts. The concept of the "large-scale propaganda to the outside world" should be fostered in an effort to make Inner Mongolia known to more people. We should take improving quality as the target and accord with the requirement of "strong politics, good undertakings, and correct style" to conscientiously build up contingents.

Regarding the issue of improving the methods of propaganda and ideological work, Zhou Dehai put forth five points: 1) We should strengthen the awareness of the general task and make efforts to pay attention to big issues. 2) We should strengthen the awareness of typical examples, and make efforts to foster and publicize typical examples. 3) We should strengthen the awareness of joint efforts, and make efforts to pay attention to coordination. 4) We should strengthen the awareness of the masses, and make efforts to pay attention to the grassroots. 5) We should strengthen the awareness of efficiency, and make efforts to pay attention to implementation.

Attending the meeting were the propaganda directors of all the league and city party committees as well as the party committees of Erenhot city and Manzhouli city; the propaganda directors of the party committees of all the large industrial and mining enterprises; the comrades in charge from the political department of the Inner Mongolia Military District, armed police force, forest

police force, and the political department of the frontier defense force; the comrades in charge from the units of the autonomous region's propaganda departments; and the comrades in charge of propaganda and ideological work and overseas propaganda from the relevant departments and units of the autonomous region and the mass organizations.

### Inner Mongolia's Liu Attends Land Conference

SK1803060695 Hohhot NEIMENGGU RIBAO in Chinese 25 Feb 95 p 1

[By reporters Wang Qing (3769 7230) and Niu Zhiqiang (3662 1807 1730): "The Inner Mongolia Regional Land Utilization System Reform Work Conference Stresses the Need To Make Efforts To Create a New Land Work Situation"]

[FBIS Translated Text] The four-day regional land utilization system reform work conference ended on 24 February. The conference defined the following general principles for governing the reform of our region's land utilization system: Resolutely implement the state basic policy on "fully cherishing and reasonably using every inch of land and realistically protecting cultivated areas;" bring into full play our region's land resources; strive to enliven urban land property; intensify regulation, control, and management of land markets; use land to make and accumulate money; and build as soon as possible perfect, standard, unified, open, competitive, orderly land markets that suit the socialist market economy.

This was the first meeting on land utilization system reform sponsored by the regional government. Regional leaders Liu Mingzu, Qian Fenyong, Wang Zhan, Yi Junhua, Liu Zhenyi, Liu Zhen, Zhang Tingwu, Zhou Weide, Nai Deng, and Yuan Mingduo attended the conference. Liu Mingzu made an important speech at the conference. Yi Junhua, Liu Zhenyi, Zhou Weide, and Liu Wenjia, deputy director of the state land management bureau, also gave speeches.

The conference relayed the guidelines of the national land utilization system reform work conference; summed up our region's land work achievements made over the past years; pointed out the existing problems; and discussed and revised the region's 10 key requirements for land management in 1995 and the several opinions on deepening the reform of the land utilization system. The conference commended collectives and individuals that are advanced in land management.

Liu Mingzu stressed in his speech: We should proceed from safeguarding reform, development, and stability and from realizing the historical tasks defined at the sixth regional party congress and approach from the high plane of Inner Mongolia's long-term peace and stability to fully understand the great significance of protecting cultivated areas and bringing land resources into play, further emancipate the mind, renew ideas, realistically

accelerate the pace of reforming the land utilization system, and create a new work situation for land.

The conference pointed out: The goal of the land utilization system reforms is to set up a land market system that suits the socialist market economic system. The key is to expand the scale of paid use of land utilization rights and to standardize forms for land purchasing. The general requirement is to change the land utilization system from having no payments, no time limits, and no transfers to having payments, time limits, and sales. The reform of the land utilization system is an important way to pioneer key state financial resources, increase local revenues, and accelerate the pace of local economic construction and social progress. Our region is large in terms of land. Its urban land resources alone are valued at more than 200 billion yuan. But, our earnings from land have been less than 100 million yuan. On the one hand, we have financial difficulties; on the other hand, we fail to understand or develop the land market—one of the key financial resources. Thus, the earnings from land were reduced by a big margin. Such a situation is not permitted. Therefore, it is more urgent to accelerate the pace of reforming the land utilization system reform. The leading comrades at various levels should further emancipate the mind, take bigger strides, widen thinking, and develop more methods.

The conference set forth: According to the region's general requirements for reforming the land utilization system, we should achieve the work in the following few aspects. First, we should realistically protect the existing cultivated land. All localities should continue to stabilize the system of contracted responsibility on a household basis with payment linked to output as well as the system of contracted responsibility for grass and livestock production, conscientiously sum up and popularize the experiences in strengthening the construction of farmland and grassland bases, and continue to achieve the work of restoring cultivated areas into wooded areas and grasslands for animal raising and the work of auctioning "wasteland, barren hills, deserted beaches, ditches, and water surfaces." Second, we should clear up and enliven urban land property. From now on, the state must highly monopolize the first-grade markets for sales of state-owned urban land utilization rights and well develop the second-grade markets. We should make full use of the earnings from land to accelerate the reconstruction of cities. As long as urban construction is well developed, great changes will take place in the investment environment. The value of land will greatly increase in this way. Third, we should readjust the land supply structure and further expand the scale of selling land utilization rights. We should carry out the "five unified" management of the sales of state-owned land utilization rights. Fourth, cities, towns, rural areas, and pastoral areas should make good land utilization plans.

Present at the conference, were leaders of leagues, cities, and some banners and counties in charge of land management; responsible persons of restructuring, financial,

local tax, and judicial departments; and comrades of the regional party committee, the regional people's congress, the regional government, and relevant commissions, offices, departments, and bureaus.

### Third Tianjin CPPCC Session Ends

SK2003023395 Tianjin TIANJIN RIBAO in Chinese 25 Feb 95 p 1

[FBIS Translated Excerpt] After successfully fulfilling various items on the agenda, the third session of the Ninth Tianjin Municipal Chinese People's Political Consultative Conference [CPPCC] Committee came to an end at the Tianjin Auditorium on the morning of 24 February.

The session called on all CPPCC members and the CPPCC organizations at all levels to mobilize and unite as one with the personages of various nationalities and social circles under the leadership of the municipal party committee; to pool their wisdom and efforts; to work hard and realistically; to advance on the crest of a victory; and to strive to realize the targets of "making the municipality prosperous and the people wealthy, of heading for being better-off," and of creating glory again for Tianjin!

Liu Jinfeng, chairman of the municipal CPPCC committee, presided over the closing ceremony of the session.

Seated on the session's rostrum were vice chairmen of the municipal CPPCC committee, including Li Changxing, Huang Yanzhi, Chen Ruyu, Lu Huansheng, Yu Guocong, Wang Jitao, Zhang Zhaoruo, Chen Shuxun, and Zhang Yonggen; as well as Guo Jinhou, secretary general of the municipal CPPCC committee.

Attending the session to extend congratulations and seated in the front row on the session's rostrum were leading personnel from the party, government and army organs—including Gao Dezhan, Zhang Lichang, Li Jianguo, Li Shenglin, Nie Bichu, Jin Renxie, and Xu Ziqiang.

The participating members approved with a vote by a show of hands the resolutions adopted at the third session of the ninth municipal CPPCC committee.

Gao Dezhan, secretary of the municipal party committee, delivered a speech at the closing ceremony, in which he stated: The third session of the ninth municipal CPPCC committee is about to conclude thanks to the common efforts made by all participating members in successfully fulfilling various items on the session's agenda. During the session, the participating members fully displayed their high sense of responsibility in participating in and discussing government and political affairs by concentrating on discussing big events and speaking out freely in offering favorable opinions. They also gave expression to the close relationship between the CPC with democratic parties and patriotic personages without party affiliation, in showing utter devotion to

each other and sharing weal and woe. The session was very successful and was a meeting of unity and inspiration as well as a meeting of seeking truth to strive to make progress, and of pooling the wisdom and efforts of all members in jointly discussing the grand plan for making the municipality prosperous and the people wealthy. The session had very important significance in that it mobilized people of various nationalities and various social circles across the municipality to successfully fulfill various tasks this year.

On behalf of the municipal party committee, he extended warm congratulations on the success of the session. Gao Dezhan pointed out: 1995 is a very important year for the municipality to fulfill the "Eighth Five-Year Plan" in an overall way, to prepare well for the "Ninth Five-Year Plan", to realize the grand goal, and to advance on the crest of victory. We must bring into full play the enthusiasm of various social circles, further condense the forces of the people across the municipality, be of one heart and one mind, rouse ourselves for vigorous efforts to make the municipality prosperous, and unite as one in waging struggles. The CPPCC committee, as an extensive and patriotic organization of the united front, is playing an extremely important role in uniting with the mass and in condensing social forces.

To this end, he put forward the following four hopes: First, we should enhance unity and bring into full play the enthusiasm of the vast number of people and of various social circles across the municipality. Second, we should do a good job in bringing into better play the functional role of the CPPCC committee and have the committee make still greater contributions to expediting the municipal program of building two civilizations. Third, we should earnestly implement the "Regulations of the National CPPCC Committee with Regard to Political Consultation, Democratic Supervision, and the Participation and Discussion of Government and Political Affairs" and uphold the principle of holding consultation before making policy decisions. Fourth, we should earnestly study, publicize, and implement the important speech made by Comrade Jiang

Zemin and make active contributions to the great cause of motherland reunification. [passages omitted]

Attending the closing ceremony of the session were leading comrades from the municipal party committee, the municipal people's congress standing committee, the municipal people's government, the municipal discipline inspection commission, the municipal higher people's court, and the municipal people's procuratorate; responsible comrades from the municipal level democratic parties and the relevant mass organizations at the municipal level; and members of the National CPPCC Standing Committee, who were currently in Tianjin, and veteran comrades who were vice chairmen of the eighth municipal CPPCC committee—including Liu Jinfeng, Li Huifen, Song Pingshun, Luo Yuanpeng, Zheng Zhiying, Wang Hongjiang, Lu Xuezheng, Zhu Wenju, Qian

Qiao, Liu Wenfan, Zhang Yuhuan, Su Baocong, Zhang Haosheng, Zhuang Gonghui, Zhang Baifeng, Zhang dequan, Zhang Guanwen, Xiao Yuan, Zhao Jinsheng, He Guomo, Huang Difei, Yu Songting, Yang Hui, Fang Fang, qiao Weixiong, and Chen Heng.

At 0950 that morning, the session was successfully closed amid the majestic music of the national anthem.

### Northeast Region

#### Heilongjiang Secretary Hears Leaders' Views

SK2003071195 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 19 Mar 95

[FBIS Translated Excerpt] On the morning of 19 March, Beijing was filled with sunlight, and the great meeting hall of the Heilongjiang Agency stationed in Beijing resounded with cheers and laughter, because leading comrades of the provincial party committee and the provincial government, leading cadres of the organs directly under the central authorities, and leading cadres who had worked for Heilongjiang gathered to discuss the major policies aiming at invigorating and developing Heilongjiang.

Yue Qifeng, secretary of the provincial party committee, presided over the meeting. By coming straight to the point, he said to Liu Zhongli and Hou Jie: Both of you worked for and made contributions to the development and construction of Heilongjiang. Now, Heilongjiang is confronted with difficulties in its economic development. Today, you are invited here to offer advice and to make suggestions for invigorating Heilongjiang. After this, Secretary Yue Qifeng briefly and clearly expounded the province's economic development situation. He said: By firmly grasping the first battlefield of economic development, such as agriculture and state-owned enterprises, we should vigorously open up the second battlefield of economic development, and should, in particular, develop oil, [words indistinct], and coal substitute industries, develop township and town enterprises and diversify management, and accumulate more funds to [words indistinct]. At present, Heilongjiang's conspicuous problems include sluggish economic development and uneven development of the coal industry, military industry, and forest industry. However, Heilongjiang has still made great contributions to the state. The more difficulties we encounter, the greater the efforts we should make, because we face a golden opportunity for development. For instance, the shift from the planned economy to the market economy will effectively resolve the province's problem with regard to the exchange of unequal value that resulted from being a major natural resources province, and will effectively resolve a series of problems in policy. When the whole party pays attention to agriculture, the province's natural resources advantage of being a major agricultural province will become economic advantages.

After providing a detailed introduction to the province's economic development situation and analyzing the difficulties facing the province, Governor Tian Fengshan earnestly hoped that the leading comrades who had ever worked for Heilongjiang would give more supports and offer more advises to the development of Heilongjiang, would serve as bridges to link the central authorities with Heilongjiang Province, and would do more propaganda work for the province in order to again make contributions to invigorating Heilongjiang.

Guo Lin, vice minister of railways, took the floor first. He maintained: The containers transported to Heilongjiang should be loaded with the goods with high added value, after they are unloaded. Returning without carrying any goods is wasteful. He suggested: When transporting goods to southern areas, Heilongjiang should improve equipment with their own efforts, build production lines of deep processing, and make full use of its rich natural resources to engage in deep processing with the view to improving efficiency. He also expressed: No matter how many natural resources Heilongjiang may have, railway departments will always go all out to ensure the transportation of Heilongjiang's goods.

Hou Jie, minister of construction, said: I worked for Heilongjiang for 43 years, and thus cherish deep affection for the land of Heilongjiang. Loving one's country and hometown is natural and normal. Whenever I hear about the good news of my hometown, I am very happy; but whenever I hear of bad news, I become anxious. He sincerely pledged to help Heilongjiang with all his efforts.

Liu Zhongli, minister of finance, affirmed the contributions made by Heilongjiang Province to the country over the past few years. He said: Last year, Heilongjiang effected an 8.7 percent increase in the gross domestic product. So long as the province registers a one percentage point increase every year, the people will have hope, and cadres and the masses will enhance their confidence, because this means a change in quality. Having worked for Heilongjiang for half of my life, Heilongjiang is my second hometown. After making a detailed analysis of the strategic relations between Heilongjiang's economic development and the national economic development since the founding of the PRC, Liu Zhongli said: Heilongjiang should correctly assess the current situation it faces, and should not be discouraged. In industry, Heilongjiang should produce brand-name products and competitive products so that it can hold its ground in the sharp market economy. In agriculture, the new policies concerning grain purchase and marketing set forth by the state this year will bring about many benefits to peasants, and therefore peasants' enthusiasm in growing grain will be enhanced greatly. Heilongjiang should seize this opportunity. When peasants become rich, they will spend relatively more energy on developing township and town enterprises as well as on diversifying management, and then a favorable cycle will emerge in rural areas. In addition, there are many

undeveloped areas in Heilongjiang. From now on, these plots can be used to develop green agriculture and pollution-free agriculture, such as grain, soybean, and vegetable. Liu Zhongli also suggested that Heilongjiang should emancipate the mind, renew concepts, and pay attention to studying and resolving the problem with regard to the weakness in circulation sphere. [passage omitted]

On behalf of the 36 million people in Heilongjiang, Yue Qifeng and Tian Fengshan thanked leading comrades of the central authorities for their concern to Heilongjiang. Yue Qifeng said: You have offered many good suggestions for us. In the future, this type of forum kind will be held every year after the conclusion of the people's congress session in order to exchange view with you and obtain support from you. With concerted efforts, Heilongjiang will have great hope. In the future, when Heilongjiang's economy really takes off, we all will feel glorious and proud. [passage omitted]

#### Heilongjiang's Leaders Talk With Beijing Media

SK2003070095 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 19 Mar 95

[FBIS Translated Excerpt] On 19 March, the provincial party committee and government invited leaders of the press circles in the capital to a forum.

Provincial leaders Yue Qifeng, Tian Fengshan, Shan Rongfan, and Yang Guanghong attended the forum. Some principal leading comrades of the press circles in the capital participated in the forum. They included Fan Jingyi, editor in chief of RENMIN RIBAO; Nan Zhenzhong, vice president and concurrently editor in chief of XINHUA News Agency; Yang Weiguang, vice minister of radio, film, and television and director of China Central Television Station; Xu Guangchun, editor in chief of GUANGMING RIBAO; Yang Shangde, editor in chief of JINGJI RIBAO [Economic Daily]; Guo Rui, director of China News Service; Zhu Yingheng, editor in chief of ZHONGGUO RIBAO [China Daily]; Wang Furu, president of FAZHI RIBAO [China Law Daily]; Li Changqun, president of RENMIN GONGAN BAO [People's Public Security]; Qu Zugeng, president of GONGREN RIBAO [Workers' Daily]; (Sun Yongren), editor in chief of NONGMIN RIBAO [Peasants' Daily]; Wang Xiulin, editor in chief of ZHONGGUO FUNU BAO [Chinese Women Weekly]; Xu Zhuqing, president and concurrently editor in chief of ZHONGGUO QINGNIAN BAO [China Youth News]; Yu Youhai, editor in chief of BANYUE TAN ZAZHI [Fortnightly Chat Magazine]; Chen Dabin, editor in chief of LIAOWAN [Outlook]; Xu Xinhua, director of the information bureau of the propaganda department of the CPC Central Committee; Tang Fei, secretary of All-China Journalists Association; and some reporters of the Hong Kong and Macao press organizations stationed in Beijing.

The participants enthusiastically discussed the issues concerning dissemination in Heilongjiang and how to

promote and rejuvenate Heilongjiang's development and set forth many valuable opinions and suggestions.

At the beginning of the forum, Yue Qifeng, secretary of the provincial party committee, first introduced to the participants our province's strategic thinking on pioneering the second economic development battlefield and vigorously cultivating new economic growth points.

Comrade Yue Qifeng said: Heilongjiang Province has made and is making gigantic contributions to the state. It will continue to make gigantic contributions to the state in the future. However, as a large province in terms of its natural resources, Heilongjiang has failed to enliven its economy. If the province does not greatly readjust the structures of the industries and products characterized by natural resources, raw materials, and extensive processing, it will be difficult to rejuvenate and develop itself and it will be difficult for the state to greatly compensate the areas with natural resources. Based on this situation, we set forth the thinking of pioneering the second economic development battlefield.

Yue Qifeng disclosed that it will be difficult for state-owned enterprises to let things remain as they are if the province does not pioneer the second battlefield. After introducing Xiaoxinganling's crisis in lacking natural resources and its economic difficulties, the situation of Daxinganling, which has the output value of a village despite its province-level size, and county-level population; and the difficulties ahead of collieries, oil fields, and war-industrial enterprises, Yue Qifeng emphatically pointed out: If Heilongjiang Province continues to grasp the work of enterprises according to the situation of enterprises and to develop natural resources in the way it is used to, but neglects speed and efficiency, the consequences will be disastrous. Therefore, we should change our ideas and adopt outflanking tactics to pioneer the second economic development battlefield. Simultaneously, like the other provinces, we must grasp new economic growth points; develop nonstate sectors of the economy, town and township enterprises, neighborhood-based enterprises, tertiary industry, civilian-run science and technology enterprises, private and individual enterprises, and three kinds of foreign-funded enterprises; and use new financial resources to conserve old ones.

On behalf of the provincial party committee, the provincial government, and 36 million people of the province, Tian Fengshan, deputy secretary of the provincial party committee and governor of the provincial government, expressed thanks to all central press units for their support and assistance to Heilongjiang's reform, opening up, and economic construction. [passage omitted]

#### Jilin Holds Meeting on Accelerating Improvement

SK1803021295 Changchun JILIN RIBAO in Chinese 22 Feb 95 p 1

[By reporter Yu Lifang (0060 7787 5364): "Jilin Province Holds Mobilization Meeting on Accelerating the Pace of Becoming Better-Off"]

[FBIS Translated Excerpt] On the morning of 21 February, the provincial party committee and provincial government held the provincial mobilization meeting on accelerating the project of making rural areas attain a better-off level and called on the people of various nationalities across the province and cadres at all levels to make concerted efforts to go all out for three years to make rural areas across the province basically attain a better-off level by 1997.

Gao Yan, governor of Jilin Province, presided over the meeting. He Zhukang, secretary of the provincial party committee, gave a mobilization speech at the meeting. [passage omitted]

Governor Gao Yan put forward five demands for grasping the issue of carrying out the guidelines of the mobilization meeting:

1. We should strengthen leadership and grasp implementation plans. It is necessary to make the main leaders personally grasp the implementation of the plans, and leaders in charge specifically grasp them, define the administrative organs, strengthen the functions of work, and avoid going through the motions and wasting time in implementation. The provincial office for making rural areas attain a better-off level is part of the rural work office of the provincial party committee. Various cities and counties should also step up efforts to establish administrative organs to handle routine work and play a role where needed.

2. We should deeply conduct propaganda and mobilize the masses and implement this work ideologically. We should concentrate a period of time to organize the grass-roots cadres, peasants, and the masses to hold a general discussion on becoming prosperous and attaining a better-off level, see where we lag behind, enhance spirit, and strengthen motivation. The content of propaganda and mobilization must be closely connected with reality. We should give different teachings to different persons and turn the content of the project of becoming better-off into a vivid and specific picture to strengthen its influence and cohesion.

3. We should proceed from local reality and grasp the implementation of plans. In line with the demands of the meeting, various districts should go deep into reality to conduct investigation and study, try to discover the real situation, find out precisely where we are lagging behind, and successfully, meticulously, and realistically, carry out the plan of becoming better-off. The key to success is to make plans for economic development, public undertakings, and the construction of spiritual civilization. To do it meticulously, we must not only set the time and rate for fulfilling the task, but also formulate workable measures and methods. To conduct this realistically, we must combine the efforts of higher and lower levels, attend to coordination, and make counties work out plans for villages, and have townships work out plans for peasant households.

4. We should define tasks and grasp the implementation of the responsibility system. We should establish the target responsibility system at various levels and assign specific targets to each and every work post and person. The relevant departments should act in line with their functions, define tasks and duties, and define the quantitative targets which are conducive to operation and convenient to evaluation in some aspects. We should promptly discover the new situations and resolve new problems. It is necessary to regard the fulfillment of the task of making the rural areas well-off set for a certain stage and the annual degree of accomplishment of the task as an important content for evaluating the political achievements of cadres at various levels and relevant departments.

5. We should add impetus to work and grasp the implementation of policies and measures. We should firmly stick to the party's basic policy on rural areas and reduce peasants' burden. In line with the specific task of making rural areas attain a better-off level, we should readjust and perfect relevant policies and unceasingly instill new motivation and vigor into the project of making the rural areas attain a better-off level.

Leaders of the provincial party and government organs participated in the meeting. A total of 1,500 people attended the meeting which was held in the central conference hall, including all members of the leading bodies of various departments directly under the province and cities, secretaries of various city and autonomous prefectural party committees, city mayors and heads and autonomous prefectures, and some cadres at and above the section level of organs directly under the province. Various cities and autonomous prefectures and their subordinate counties and townships set up branch conference sites. The party and government organizations at various levels across the province, mass organizations, enterprises and institutions, colleges and universities, neighborhood committees in cities and towns, and villagers' committees organized the masses and cadres to hear or watch the live broadcast of the meeting.

#### **Jilin Holds Anticorruption Report Meeting**

SK1903071695 Changchun JILIN RIBAO in Chinese  
26 Feb 95 p 1

[By Kang Xuiliang (1660 1331 5328), Wang Desheng (3769 1795 0524), and reporter Li Guangwu (2621 1639 2976): "Jilin Province Holds Anticorruption Report Meeting"]

[FBIS Translated Excerpt] On the morning of 25 February, the provincial party committee and government held an anticorruption report meeting at the auditorium of the provincial party committee organs. Feng Ximing, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, presided over and addressed the meeting.

Since the formulation of the party Central Committee's major decision on deeply carrying out anticorruption struggle, all localities and departments have conscientiously implemented the plans and demands of the central authorities and the provincial party committee, strengthened leadership, firmly implemented this work, and created many experiences through summing up the anticorruption work. At the report meeting, leaders of the Tonghua city Discipline Inspection Commission and Supervision Bureau, Changchun Power Industrial Bureau, and Shuangliao County introduced their experiences, respectively. [passage omitted]

After hearing experiences presented by these units, Feng Ximing, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, gave a speech. He spoke highly of these units' experiences, and called on all localities and departments to learn and draw lessons from the methods and experiences of these advanced units; act in accordance with the important speech of Comrade Jiang Zemin and the demands and plans of the Fifth Plenary Session of the Central Discipline Inspection Commission and of the provincial party committee; further enhance recognition of the major significance of deeply conducting the anticorruption struggle; strengthen awareness and steadfastness of taking a two-handed approach in the struggle; further adopt effective measures in line with reality; attend to the implementation of this year's anticorruption work tasks; and strive to make new achievements in the anticorruption work and in the building of party style and clean governments.

Comrades attending the fifth plenary session of the provincial Discipline Inspection Commission as voting and nonvoting members; cadres at and above the section level of provincial-level organs; and all cadres of the provincial Discipline Inspection Commission, the provincial Supervision Department, and various discipline inspection groups (Discipline Inspection Committees) and supervision offices (sections) under the province attended the report meeting on 25 February.

#### Cooperation Fuels Liaoning Capital's Growth

OW2003022095 Beijing XINHUA in English 0155  
GMT 20 Mar 95

[FBIS Transcribed Text] Shenyang, March 20 (XINHUA)—The capital of northeast China's Liaoning Province is fueling its economic growth by cooperating with other parts of China.

Shenyang signed 2,122 contracts worth 9.5 billion yuan with 110 cities in 12 provinces and autonomous regions in various parts of China over the past three years, and held trade fairs in south China's Shenzhen, and Hong Kong.

"Cooperation inside China is just as important as opening-up to the world for Shenyang," said Zhang

Guoguang, a senior official in the city. "The limited regional cooperation under the planned economy can no longer match the thriving market economy, and wider cooperation is necessary for our economic development."

Shenyang drew up a plan for tapping its abundant natural resources and entering the market in remote provinces, while developing rural enterprises and underdeveloped mountainous areas with technology borrowed from medium-sized cities.

The past three years have seen Shenyang sending delegations of officials from different departments, to negotiate business deals around China.

In 1994, with the help of the municipal government, the Tap Water Company won a bid to construct three hydropower plants in southwest China's Sichuan Province, and the Machinery Bureau bought goods worth 160 million yuan from north China's Inner Mongolia Autonomous Region. It also received orders worth 260 million yuan from Sichuan and Guizhou, also in southwest China.

Products of the Dongbei Pharmaceutical Factory, the Shenyang Paint Factory, the Diesel Engine Factory, and the Rubber Shoes Factory have found a ready market in southwest China's Yunnan Province and Guangxi Zhuang Autonomous Region.

The city has also signed agreements to sell 136 brand-name products, including air-conditioners and bathroom water-heaters, in east China's Shandong, Anhui, and Jiangsu Provinces.

The Shenyang Petrochemical Designing Institute earned more than two million yuan from 22 kinds of technology, and the Liaoning Textile Research Institute sold two production lines worth 44 million yuan.

A group of production bases were also established in other provinces and contracts were made to purchase mineral resources directly from mining areas.

#### Northwest Region

##### Electricity Reportedly Sparse in Northwest Region

OW1903074395 Beijing XINHUA in English 0728  
GMT 19 Mar 95

[FBIS Transcribed Text] Xian, March 19 (XINHUA)—Electricity is in short supply in northwest China because of a lack of generating capacity and surging demand, according to local officials.

The demand for electricity in Shannxi, Gansu, and Qinghai provinces and the Xinjiang Uygur Autonomous Region, caused by the fast growing economy and improvements in people's standard of living, has increased by ten percent annually, requiring 1.5 million kw of generating capacity.

Since 1987, however, only 700,000 kw of generation capacity has been added annually, while more than 40 percent of the total electricity generated in the region is hydroelectric power, which has been declining since 1993 because of a long drought.

Officials say that the water supply in the upper reaches of the Yellow River decreased 35 percent, in comparison with the average water supply over the past several years.

In order to resolve the problem, the region will add 1.05 million kw in generating capacity this year.

**Shaanxi To 'Develop New High-Tech Industries'**

OW1703063595 Beijing XINHUA in English 0622  
GMT 17 Mar 95

[FBIS Transcribed Text] Xian, March 17 (XINHUA)—Shaanxi Province in northwest China, will adjust its product mix and develop new high-tech industries to enliven its economy.

It will concentrate on the development of such industrial sectors as electronic information, the combination of

machinery and electrical appliances, new materials, biotechnology, fine breeds of seeds, the processing of farm and sideline products and raw materials and environmental protection.

According to Sun Haiying, director of the Shaanxi Provincial Commission of Science and Technology, Shaanxi's overall capacity for scientific development is next only to those of Beijing and Shanghai.

Sun noted that the scheme will require a total investment of 4.33 billion yuan.

To ensure their smooth development, the provincial government will set up a committee headed by the governor to organize, study and tackle key issues.

It will increase the fund input by 15 million yuan annually in the construction of these industrial setups during the 1995-1997 period.

Research institutions and industrial departments are encouraged to raise funds in this regard.

**Ministry Spokesman Lashes Out on Mission Issue***OW1803022795 Taipei CNA in English 0200 GMT 18 Mar 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, March 17 (CNA)—Foreign Ministry Spokesman Rock Leng on Friday lashed out at Beijing for forcing the Kuwaiti Government to downgrade the Republic of China (ROC)'s official mission in that Middle Eastern country.

The Kuwaiti Government, apparently under pressure from Beijing, asked the ROC Government to rename the "Commercial Office of the ROC to the State of Kuwait" to the "Taipei Commercial Office" in January.

The ROC officials stationed in Kuwait were forced to remove the official plate on Wednesday after negotiations with the Kuwaiti Government over the last three months failed to resolve the issue. "The downgraded title is not acceptable," Leng said, adding that his ministry will continue negotiating with the Kuwaiti Government.

Leng aid despite Chinese mainland President Jiang Zemin's recent peace overture toward Taiwan, which was aimed to create an atmosphere for the peaceful unification of China, Beijing has not ceased its efforts to isolate Taiwan in the international community. "The incident again underscores Beijing's two-pronged gimmick vis-a-vis Taiwan," Leng said. He warned Beijing of the negative impact the "detestable step" may have on bilateral ties, and called on ROC citizens not to harbor any illusions about the Chinese Communists.

The commercial office of the ROC to the state of Kuwait had been in place in accordance with the official agreement the ROC signed with Kuwait in 1986. Taiwan imports average 42,000 barrels of crude oil from Kuwait a day, accounting for roughly 9 percent of Taiwan's daily oil imports. Despite a lack of official diplomatic links, the national title of the Republic of China is still used in Taiwan's trade missions to other Middle Eastern countries, including Jordan, the United Arab Emirates and Bahrain.

**Spokesman Denies Officials Allowed To Visit***OW1803020595 Taipei CNA in English 0101 GMT 18 Mar 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, March 17 (CNA)—The spokesman for the Mainland Affairs Council (MAC), the government agency in charge of handling mainland Chinese affairs, on Friday denied reports that cabinet-level mainland officials will be permitted to visit Taiwan.

"It is absolutely not true," Kao Koong-lian, concurrently MAC vice chairman, said at a regular press conference. He admitted, however, that the Ministry of Economic Affairs was reviewing measures governing Taiwan visits by mainland economic and trade officials in line with instructions by Premier Lien Chan, who is giving top priority to the economic front in the promotion of bilateral ties.

But Kao emphasized, "by [word indistinct], visits by the mainland's ministerial officials have not been mentioned in (the ministry's) measures. Nor has such a proposal ever been weighed."

**Cross-Strait Talks To Cover Trade Issues***OW2003014995 Taipei CNA in English 0138 GMT 20 Mar 95*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, March 18 (CNA)—The next round of talks between the two sides of the Taiwan strait will cover trade issues, cultural and educational and technological exchanges, Kao Koong-lien, the vice chairman of the Mainland Affairs Council (MAC), said Saturday.

The MAC is the cabinet-level agency that maps out government policy toward Mainland China. Government officials will for the first time take part in the talks as advisers in response to the recent call by Premier Lien Chan to bring cross-strait relations into the era of negotiations. The officials participating will include those from the Ministry of Economic Affairs, the Ministry of Justice and the Council of Agriculture.

Kao said that the issues of the previous talks between Taiwan's Straits Exchange Foundation (SEF) and the mainland's Association for Relations Across the Taiwan Strait (ARATS), including the repatriation of mainland hijackers and illegal immigrants, and the resolution of fishing disputes, will still be main topics. The SEF is a civilian group established to handle exchanges between the two sides of the Taiwan Strait.

Kao said that the SEF will also discuss with ARATS the opening of speed-post [words indistinct] and improving the quality of telephone communication across the strait. He said that on trade issues, the discussion will cover hosting seminars on trade disputes and intellectual property right protection. In talks on technological exchanges, the issues may include the standardization of technical terms, disaster prevention and environmental protection. Kao said the SEF would suggest to the ARATS that the talks be held in Taipei in late April.

**President Envisions Modern, 'Democratic' Nation***OW2003015095 Taipei CNA in English 0115 GMT 20 Mar 95*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, March 18 (CNA)—President Li Teng-hui said Saturday that he has put his mind to building Taiwan into a modern, cultural and democratic land.

Li made the remarks in Pintung, southern Taiwan, where he is on a speaking tour sponsored by the Taiwan provincial government promoting community development. Li depicted his ideal of Taiwan as a land of democracy and efficiency, with the credibility of the law upheld and justice for all people. The dignity and welfare of everyone living on the island would also be protected, he said.

The president also envisages Taiwan as an industrially and technologically advanced country, and he added it must also promote external trade so that it can keep its vitality in the international arena. His picture of the future Taiwan sees it having balanced development of urban and suburban areas so that people will have all the conveniences of living in cities, but will also enjoy the lushness and vitality of the countryside.

The president also said Taiwan has seen remarkable achievements in recent years, and that the nation has been making progress toward full democracy. The future work will be to upgrade living standards and the environment, which he said has to spring from a community effort.

#### **DPP National Congress Opens in Kaohsiung**

OW2003020995 Taipei CNA in English 0150 GMT 20 Mar 95

[By Bear Lee]

[FBIS Transcribed Text] Kaohsiung, March 18 (CNA)—The Democratic Progressive Party [DPP], the largest opposition party in the Republic of China [ROC], opened its national congress here Saturday in the southern Taiwan city of Kaohsiung.

Addressing the opening, DPP chairman Shih Ming-teh called on party members not to hold a pessimistic view of the DPP's chances in the next presidential election, which is scheduled to be held early next year. He said that the party is sure to win the presidency as long as it can pool together its wisdom and resources to nominate the best candidate.

Some 200 party delegates are attending the two-day conference, during which party chapters and platforms are expected to be revised while the measures for nominating presidential candidate are mapped out. Several DPP heavyweights, including former Chairman Hsu Hsin-liang, Taipei County Magistrate You Ching and former Taiwan University Professor Peng Ming-min, have made known their intention to seek the DPP's presidential nomination.

#### **Lin Yang-kang Announces Presidential Bid**

OW2003020895 Taipei CNA in English 0152 GMT 20 Mar 95

[By Bear Lee]

[FBIS Transcribed Text] Taipei, March 18 (CNA)—Senior presidential adviser Lin Yang-kang announced on Saturday that he will run in the next presidential election, which is scheduled to be held early next year.

Lin made the announcement at a speech sponsored by a local bank, making him the first ruling Kuomintang [KMT] heavyweight to publicly announce his bid. "I will definitely take part in the election, no matter what the circumstances," Lin told his audience.

Lin has served as vice premier, judicial yuan president, interior minister, Taiwan governor and Taipei mayor. He is currently one of four KMT vice chairmen.

#### **Editorial on U.S. Security Strategy for Asia**

OW2003045395 Taipei CHUNG-KUO SHIH-PAO in Chinese  
2 Mar 95 p 3

[Editorial: "Keeping U.S. Forces in East Asia Will Be Conducive to Peace in the Asia-Pacific Region"]

[FBIS Translated Text] In the Pentagon's "strategic report on East Asia" released on 27 February, the U.S. Defense Department revised its 1990 and 1992 East Asian security strategies by dropping the program for gradual troop withdrawal from East Asia. Under the new strategy, the United States will not only keep its 100,000-strong troop force in East Asia, but will also introduce a "Theater Missile Defense System" in the Asia-Pacific region to ensure the region's security and prosperity. Elaborating on the new strategy, Joseph Nye, U.S. assistant secretary of defense for international security affairs, indicated: "A prosperous, stable East Asia has much to do with the security of both the United States and the world; and a stable East Asia depends on continued U.S. military presence." This is the best affirmation of East Asia's importance; although, it does not necessarily mean East Asia's importance to the United States will, from now on, overtake that of Europe. In light of increasing U.S. economic dependence on East Asia, we have reason to believe it will play an active and positive role in Asia-Pacific security.

From a structural aspect, we find the new U.S. strategy on East Asia has a two-tier framework: Bilateral military relations between the United States and Japan, Korea, Communist China, Australia, Russia, and the ASEAN nations will serve as the upper tier covering all of East Asia; whereas the two multilateral dialogue mechanisms—The "ASEAN Regional Forum" set up last year and the "Northeastern Asia Security Dialogue System" being promoted by the U.S.—will form the lower tier responding to the regional security needs of both Southeast and East Asia. In the past, there have been debates between the Southeast Asian nations and the United States on whether the Asia-Pacific security mechanism should be multilateral or bilateral. The United States, which favors a bilateral framework, maintains that individual security agreements signed between the U.S., the dominant party, and nations within the region are sufficient to assume the important responsibility of Asia-Pacific security. While favoring a continued U.S. presence in East Asia, the ASEAN countries would like to see the overall security design be a multilateral one, so they will have a bigger say. In particular, in light of continuous U.S. military cutbacks in the region, nations are finding it even more essential to seek independence and self-sufficiency in security matters through bilateral dialogue. The new East Asian strategy just released by the Pentagon has simultaneously integrated both the multilateral and bilateral frameworks, and dispelled the doubts and worries of nations in the region by maintaining U.S. troops in East Asia—a progressive move even more capable of dealing with the increasingly complicated Asia-Pacific situation.

As far as Taiwan is concerned, we welcome the East Asian security framework principally based on bilateral relations. It bears significance in two aspects. First, the United

States, through its bilateral relations with Communist China, may help the latter integrate itself with the international community in a more constructive way, thus making more positive contributions toward Asia-Pacific security. Undeniably, Communist China's sharp enhancement of national defense in recent years has caused common concern in Taiwan and neighboring countries. In particular, during a crucial period when Communist China is in the process of power-shifting between generations, any military gesture by Beijing may arouse serious suspicion and a chain reaction in the Asia-Pacific region. Hence, if the United States succeeds in strengthening its military relations with Communist China at this juncture, in better understanding its military intent, and in urging the transparency of its national defense programs and strategies, it will be conducive to the security of the Taiwan Strait, the Spratly Island territorial dispute, and the security of the entire Asia-Pacific region.

Second, from the perspective of participating in the regional security order and Taipei's standpoint, we certainly hope to actively participate in the bilateral security mechanism. Since the end of the Cold War, the Republic of China has always been interested in contributing positively to regional peace and development. We are also deeply confident that, with Taiwan's military and economic strength, any regional security mechanism without our participation will not be a complete one. However, under a realistic environment, Communist China has been trying hard to block us from joining the multilateral security mechanism, even going to the extent of "barring" us from engaging in non-governmental "second line diplomacy" [di er xian wai jia 4574 0059 4848 1120 0074]. Our participation in the ASEAN regional forum running into a brick wall is an obvious example. In view of our incapability of joining the multilateral security dialogue and our eagerness to involve ourselves in establishing a new East Asia order, a bilateral dialogue mechanism through the U.S. should be a workable means. This is because the shape of Sino-U.S. bilateral dialogue can be more flexible, with a higher possibility of achieving practical results. This is an opportunity we should seize.

The Pentagon report also lays emphasis on the importance of the Asia-Pacific Economic Cooperation [APEC], pointing out that the United States is making efforts to have APEC become an agreed-on mechanism to promote multilateral free trade, investment, and prosperity among nations. The ultimate aim is to support the democratization tide in the Asia-Pacific region. In actual fact, however, any security mechanism is merely a framework of a regional order in support of economic prosperity. While

economic development must be based on a secure environment, it is economic prosperity that makes real democracy and stability possible. As APEC is a lever capable of influencing the economic system of various countries and pushing the democratization tide, we should be active in it. It is only through greater participation in coordination with the United States' overall strategy concept that we will be able to make use of other's strengths while playing our role in promoting economic reform and democratization in the Asia-Pacific region. In the process of forming a formal new order or strategy, Taiwan should not remain an onlooker but should try to be a coordinator and participant.

Of course, we expect something from the United States. Basically, we East Asian nations should welcome the new strategy on East Asia. This is because no matter how high the tide of nationalism in various Asian nations is, everyone has to admit that keeping American forces in Asia will serve as a stabilizing factor in Asia-Pacific security. The United States need not take a certain country as an imaginary enemy or deliberately contain a certain nation; all it needs to do is let every country take an active part, let every nation be part of the new order, let it find its own place, let it feel secure, and let it contribute toward regional stability and prosperity. The United States may play the role as a stabilizer, mediator, and catalytic agent for regional cooperation. With that, the new East Asia order will be more healthy and lasting, and the United States will be the best partner of East Asian nations.

#### Minister To Attend APEC Meeting in Jakarta

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[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, March 17 (CNA)—Vice Finance Minister Li Chung-ying will head the Taiwan delegation to the APEC vice finance ministers' meeting Tuesday in Jakarta.

Li said Friday that all 18 APEC members are expected to send their respective delegations to the meeting, which will discuss the agenda for the APEC finance ministers' meeting to be held in Indonesia April 15-16, short-term capital flow, and the influence of exchange rate fluctuations on trade and investment. Li said he would take advantage of the gathering to exchange views with other countries' delegates on financial issues.

The Taiwan delegation also includes Chang Pao-hsi, director of the Foreign Exchange Department under the Central Bank of China, and officials from the Ministries of Foreign Affairs and Finance, he pointed out.

APEC, which was founded in 1989, now groups Australia, Brunei, Canada, Chile, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

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